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# ***CENTRAL EURASIA***



# FBIS Report: Central Eurasia

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In FBIS-USR-94-022 of 9 March 1994, in the article "Vote on Amnesty Viewed" the second sentence of the last paragraph, second column, page 21 should read as follows: But first, at the suggestion of the factions of the Agrarian and Communist Parties, they voted on a "small package"—without the fourth decree.

### RUSSIA

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## POLITICAL AFFAIRS

### Deputies Assess Amnesty, Yeltsin Address

944K0838A Moscow LITERATURNAYA GAZETA  
in Russian No 9, 2 Mar 94 p 11

[Statements by State Duma deputies: "Civil Peace or Verdict on the Reforms?"]

[Excerpts] Two events in the past week—the State Duma's amnesty decision and the president's annual report to the two chambers of the Federal Assembly—have disturbed the relative calm of the country's political life. We have offered political scientists, journalists, and deputies themselves a chance to comment on them. Readers will easily see for themselves that the first event preoccupies our respondents considerably more. And this is natural because with the release of the Lefortovo prisoners there has been a qualitative change in the political situation in the country. And not for the better, it would seem.

**Sergey Yushenkov, deputy of the State Duma (Russia's Choice): The Role of the Government in Both Matters Is Enigmatic**

The amnesty decree was adopted with numerous violations of the standing orders, serious ones at that. I will cite just some of them. Rybkin did not have the right to preside over the sitting of the State Duma since he had presented the report. But he employed the methods and means of the former Supreme Soviet produced under the leadership of Ruslan Khasbulatov. It may be said that Khasbulatov was set at liberty thanks to the methods he employed in the Supreme Soviet. A second most flagrant violation was that the decree was assumed as the basis, amendments were submitted, many amendments were rejected, but at least one amendment was adopted. That is, the decree should have been put to the vote one more time, not as the basis this time but as a whole. This was not done. The next violation was connected with the fact that representatives of Russia's Choice were not allowed to speak to the motion but supporters of the amnesty, on the other hand, were recognized repeatedly. Thus the decree, which was adopted with the most flagrant violations of the standing orders, has no legal validity. This was not, unfortunately, noticed by the representatives of the president, this was not noticed by the prosecutor general. Although we can agree with their interpretation of the Constitution, amnesty is, truly, the prerogative of the State Duma, not the president. Though in this case the content of the amnesty goes beyond the framework of amnesty proper, it was a pardon. And the latter is the prerogative of the president.

The affiliation to the Communists, the Agrarians, and the Zhirinovskiyites of the Shakhrai faction, New Regional Policy, and Women of Russia and their incantation to the effect that if we adopt the amnesty decree, peace will reign in the country, is at the least very naive and simply foolish. And it is surprising that such a shrewd politician as Shakhrai does not understand this. It is most likely that he understands full well that it is extraordinarily important for him currently to score points before the presidential elections, but he has in this case lost considerable popularity. The amnesty decree testifies also that the pro-government grouping in parliament has strengthened.

From a number of indirect indications it may be said with a great deal of confidence that Chernomyrdin's department was involved in the adoption of this decree. The president had to have noticed this, I believe.

The ministers, except for the members of Russia's Choice, voted for the amnesty, as did the officials connected with the government. There is also indirect evidence that the document was looked over by the government's legal services. That is, the government has thrown the president, we may say, an open challenge. Whether he will take up the challenge or not it is hard to say, although the statements he made, all too late, it is true, testify that he has a very clear idea of the disastrous nature of the decision. It essentially takes us back to a state of, at best, uncertainty, at worst, the eve of civil war.

The act of amnesty showed very clearly that the State Duma is, in effect, a second version of the Supreme Soviet, and this is making the world community very leery. For the act of amnesty is out-and-out antidemocratic.

It is frightening to imagine what would happen had the State Duma retained the functions that had been assigned the Supreme Soviet.

Now concerning the president's report. It contains a great deal that requires analysis. Certain things connected with a strengthening of the role of the state, for example, are incomprehensible to me. It is clear, of course, that in such spheres as the fight against crime and the problem of military security and security in general the role of the state should be increased. But when it is a question, say, of an increase in the role of the state in the economy and when the putative manifestation of this role is not deciphered, we could encounter exclusively administrative methods. In his report the president attempted to cover all aspects of life, but to be honest I did not see in the document an aspiration to achieve decisive changes, primarily in the sphere of the economy. And we have just two paths—either a return to the old, command methods or new steps forward, toward the market economy. Which one we choose will be shown by the prime minister's report. And we may then draw a conclusion as to what was, in fact, implied in the president's report.

The fact that the opposition was quite well disposed toward the report puts us on our guard also. It is entirely to its liking. I by no means proceed from the principle that since this suits the enemy, it should not, consequently, suit us. Not at all. I have given the reasons why the report does not suit me or why, at least, it requires some additional clarification. In short, I personally can draw a final conclusion concerning the report only after the president's response to the government's program.

**Andrey Nuykin, Deputy of the State Duma (Russia's Choice): From Zhirinovskiy's 'Falcons' to Shakhrai's 'Falconets'**

I have an ambivalent attitude toward the Duma's amnesty decree.

First, the pompous statements it contains about "national reconciliation, peace, and harmony" are utterly hypocritical. You do not have to be a Seneca to understand that political intriguers, putschists, street toughs, firebrands,



killers, and looters, set at liberty and absolved of responsibility for bloody crimes, will enthusiastically join in the struggle for the seizure of power, resorting to provocations, terror, mass unrest, and destabilization in all walks of life. The formation of a broad coalition of political forces—from Zhirinovskiy's "falcons" to Shakhray's "falconets"—which was revealed in the course of the preparation and adoption of the decree and which has been bolstered by the appearance in the dirty political kitchen of proven top-level intriguers and speculators with Malinovskiy-like dreams of "civil peace" will find few friends.

Second, both the insipid response of the president to a situation that once again reeks strongly of civil war and the submissiveness with which our leaders of justice and law and order revealed a readiness to agree with the incompetent and criminal action of the State Duma are extremely surprising and disheartening. Amnesty is not practiced in respect to specific persons and crimes. It presupposes merely articles of the Criminal Code and nonindividualized categories of crimes (pregnant women, minors, and so forth). The Duma has in practice assumed the function of granting a pardon (prior to the judicial ascertainment of guilt, what is more). And a pardon, according to the Constitution, may be granted only by the president. A.M. Yakovlev, representative of the president in the Duma, together with our esteemed Prosecutor General A. Kazannik, should have known about such elementary legal "niceties."

Third, the Duma has shown itself completely by this action to be a socially dangerous force bent on the incitement of civil war. Its basis is composed once again, alas, not of legislator professionals but irresponsible political intriguers concerned with struggle for their personal careers and party or clan interests. The small group of consistent democrats will hardly be in a position to neutralize their socially dangerous activity. At the first constitutional possibility this Duma must be dissolved. Otherwise we will once again have to get out of political crises with the help of tanks, Alphas, and other unconstitutional mechanisms.

**Viktor Sheynis, Deputy of the State Duma ('Yabloko' faction): Both a Thief and a Terrorist Are Equal?**

The amnesty decree is one of the most important decisions adopted by parliament since it started business. But it is fraught with serious complications and dangers. The "Yabloko" faction, of which I am a member, decided when preliminarily discussing this question that it could not support this decree, and not one member of our faction voted for it. We are for national reconciliation and a policy of compromise, of course. But it should be pursued between those who can, are capable of, and are prepared to agree to compromise. This is an essential condition, which in this case was not observed.

It is significant that the speech of the leader of the Communist faction during discussion of this matter was of a clearly expressed peremptory nature. He interpreted national reconciliation as a form, virtually, of capitulation before the onslaught of quite aggressive forces close to the participants in those events.

The mere principle of the unification of heterogeneous documents and heterogeneous groups of convicted persons

in a single "package" evokes objections. Essentially, the decision was adopted in respect to three different groups of convicts. First, persons convicted of various criminal offenses, so to speak. I say "so to speak" because our Criminal Code does not draw a distinction between criminal offenses proper and crimes of this political aspect or the other. The point of departure for the decision was a draft that had been sent by the president. It was properly drawn up from both the formal and substantive viewpoints, incidentally. The Legislation Committee performed certain additional work, excluding from the list of those amnestied audacious hooligans and persons who had committed rape. In this form the document was perfectly satisfactory, and it should have been supported.

The second group is composed of so-called economic crimes and persons convicted, in fact, for private entrepreneurial, commercial, and brokerage activity. Activity that is essentially now perfectly legal. These people should have been released long ago, and they are mentioned in the draft.

And, finally, the most contentious section of those amnestied—the participants in the events of August 1991 and May and October 1993.

Setting free and dropping the charges against people who destabilized the political situation evoke misgivings in themselves.

But there is one further aspect making support for this document absolutely unacceptable. The part of it that pertained to political amnesty was compiled in a legally improper manner. For example, the list of persons to be amnestied was determined with insufficient precision. And there is for me a very considerable difference between, say, the political leaders who called from the White House balcony for an assault on Ostankino, city hall, and the Kremlin and the combatants. The call was undoubtedly criminal. But, nonetheless, an appeal in itself is a crime of one nature, and the organization of the gangs of toughs who carried out the attack on Ostankino and city hall and who were prepared to seize a number of official institutions is a crime of an entirely different sort. I refer to such ringleaders of the armed gangs as Messrs Anpilov, Barkashov, Terekhov, and certain others. In respect to these people the amnesty is, in my view, extremely dangerous. For these people will hardly be capable of appreciating the humanity of the action that was taken. They will, most likely, continue what they were doing in the days leading up to the event.

Under these conditions we were put in a very difficult position. I could not support this political amnesty decision in the form in which it was presented, but nor could I vote against the president's amnesty draft or, most important, against the release of the people accused of economic crimes. It seems to me that the president's position on this matter is distinguished by somewhat of an uncertain and improper approach. He should have anticipated that in sending the bill to the Duma, other groups of people would obviously have been mixed in with his draft, and he should have responded to this not when the Duma had already adopted a decision.

The most deplorable aspect in this event, perhaps, was the disconnection of the democratic forces in parliament and

the role which the PRES [Party of Russian Unity and Accord] faction headed by Sergey Shakhrai performed in the organization of this "package." I find totally unconvincing the belated explanations disseminated the next day by K. Zatulin, a leader of this faction. The problem of the unity of the democratic forces on matters of principle remains extraordinarily pertinent. For unless we find understanding among ourselves, at the 1996 presidential elections (or, God forbid, sooner) we will find ourselves in a situation similar to that in which the Germans found themselves at the 1932 presidential elections, choosing between Hindenburg and Hitler.

**Yevgeniy Ambartsumov, Deputy of the State Duma  
(Yabloko): Yeltsin Could Have Determined Events**

Four documents were put to the vote in the Duma in a single package. It was against this that I, on behalf of our faction, spoke from the Duma rostrum. We can only agree with the call for civil reconciliation, but it is very important to ascertain: Who is reconciling with whom. Reconciliation between, say, nouveaux riches or embezzlers of state funds, who have plundered public money, and the humiliated and the insulted, who have been brought to the brink of destitution?

It can only be a question, of course, of reconciliation between the opposition and the president. But watching the release of Anpilov and Makashov, it does not seem that these people, who have blood on their hands, aspire to such reconciliation.

We are opposed to the release of people who besmirched themselves by criminal offenses during the tragic days at the start of last October. Mr. Zhirinovskiy himself declared that some have fled to neighboring republics, fearing criminal prosecution.

In addition, there are no grounds for terminating the investigation of the events of September-October 1993, which has been sought also by such irreproachable public figures as Mikhail Gelfand. This is why our faction did not support this package of documents and preferred either to vote against it or to abstain.

I would like to add that not only is it unlikely that reconciliation, about which the general document speaks, will be achieved, the political struggle will merely intensify. The prospect of the tranquil cohabitation of the presidency and the legislature does not emerge, unfortunately.

Several months ago, participating in the work of the so-called Krasavchenko group formed by the leader of the Office of the President, I proposed that the president himself release the political prisoners through an edict of his. The suggestion was rejected by my colleagues. A situation where this act has been accomplished by the Duma, not the president, has come about. Had this been done by the president, he would today be determining the development of the situation.

At the same time accord could be achieved, although there is little chance of this, if parliament occupies its proper place and if there are no petty impediments in the way of its functioning like, for example, the unresolved problem

of the location of the Duma. Ultimately it was the presidential structures that drew up the new Constitution, and did they not write that an act of amnesty was the prerogative of parliament?

Nonetheless, I hope for the president's cooperation, as before. It is important that they not throw up obstacles to one another inasmuch as their new antagonism would have a baneful effect on the state of society. [passage omitted]

**Gennadiy Zyuganov, Deputy of the State Duma  
(Communist Party of Russia): Very Timely Decree**

The decree had a very difficult birth, but I consider its adoption exceptionally opportune for a number of reasons.

The events of August 1991 and May and September-October 1993 were of a clearly expressed political nature. These events were primarily a consequence of the destructive and splittist policy that had been pursued by the national leadership in the person of Gorbachev and Yeltsin. If this ball unravels any more, there will be no end to it.

There has been a mass stoppage of production, unemployment has in a number of places amounted to almost 30 percent, half the population is not being paid on time, merely 20 percent of the peasantry is ready for the sowing on account of the nonpayments to the peasants for the grain they have surrendered, and the mass strike movement of the miners, students, and lecturers is growing. It would seem to me that under these conditions the State Duma has taken the first step toward national reconciliation, without which we will not accomplish a single task.

It seemed to me that the radical democrats, who are responsible for the policy of devastation of the country that has been pursued in recent years, the civil wars throughout the south of Russia, and the events that occurred in October in Russia, should have been satisfied with this decision the most.

The president avoided a direct evaluation of it in his report. But Yeltsin's aides subjected the Duma's decision simply to outright ostracism. And as far as certain journalists are concerned, one has the impression that peace and harmony in Russia are absolutely not what they want. If they do not realize that this is for everyone the last peaceful way out of the situation, they will bring down on their heads troubles for which neither the country nor their nearest and dearest will forgive them.

We have issued the appropriate statement: Hysteria is being deliberately incited and a provocation prepared in order to frustrate the first steps toward reconciliation. I am sure that both other factions and the leadership of the Duma will respond. The laws the Duma adopts cannot be treated this way.

Concerning the president's report. It seems to me that those who prepared it and the president himself were out of the country for three years. Then they suddenly saw that Russia needs strong statehood, that crime is raging, that science and culture are in a dire state, that corruption has conquered all, and that the bureaucracy has grown incredibly.

Yeltsin's report might have been deemed satisfactory had it been heard in February-March 1991. There would not



then have been the collapse of the USSR, there would have been no Belovezha pact, there would have been no tragedy in the Caucasus even, there would have been no universal impoverishment.

On the other hand, the report was delivered in a tone (tough-confrontational) which was untraditional for Yeltsin. It contains a recognition that he also is responsible for what has been done and that continuing the course of shock therapy to the point of total shock is impossible—the total destabilization of the situation would ensue. Thank God that this, at least, was heard. But any declaration needs to be bolstered by a specific program. [passage omitted]

### Reforms Movement Leader Ties Yeltsin Team to Amnesty Plan

#### Popov Sees Kremlin Role in Amnesty

944K0829A Moscow ARGUMENTY I FAKTY in Russian  
No 9-10, Mar 94 p 2

[Article by Gavriil Popov, chairman of the Russian Movement for Democratic Reform, under the "In the Corridors of Power" rubric: "The Amnesty"]

[Text] *The release from prison of the leaders of the October rebellion caused jubilation among some and shock among others. Many unequivocally see this amnesty as a huge defeat for the president of Russia. Let us try to sort out what is happening on stage, and what—behind the scenes.*

In the course of discussing the amnesty, Shakhrai's party, which lays the greatest claim on being considered "Yeltsinite" and "Chernomyrdinite" and includes several government ministers as well as a de facto deputy prime minister and member of the Security Council, suddenly supported the amnesty. One cannot assume for a second that leaders who are willing to go any length to attain for their party the status of a presidential party would act this way without consultations at the very top. Especially considering that Shakhrai's party switched its position toward support of the amnesty precisely when it became clear that opposition factions could not get the amnesty for Lefortovo prisoners to pass on their strength alone.

Kazannik could have threatened to resign before the Duma vote. He did not. On the contrary, he encouraged the Duma: I will carry out its decision.

Next. The general procurator resigned after he released the prisoners. He clearly was "played up" to his successor, relieving him of making the critical decision.

There was another, behind-the-scenes process behind public actions. What, precisely?

It would be to the advantage of the new leaders of the Duma opposition to free the "old-timers" in such a way that the latter would have stayed in secondary roles or left politics altogether. Therefore, Duma members clearly would have waited with the amnesty had not the administration rushed them.

The presidential circles were aware that against the background of the government camp's falling authority trials could play into the hands of the accused. We cannot, after all, accuse someone of sabotaging shock therapy if we have abandoned it ourselves. In short, the temptation to drop

the trials was growing. But they wanted very much to have someone else make this happen. This would have relieved the administration of the need to provide explanations.

Since a majority of Duma deputies were bound by a commitment to free the prisoners, this needed to be taken advantage of. But the new opposition leaders were not the only ones who preferred to push the prisoners into secondary roles—the administration wanted the same. It was clear to those in the administration that the opposition currently does not have a common strong leader. And for new actors—and this the administration also was aware of—it would take years to become worthy contenders for the job of the president or the head of the government in the eyes of the people. Therefore, the administration was more afraid of those members of the opposition who were facing the trial than those sitting in the Duma.

One can easily see a release being granted on condition not to participate in political activities and elections until the next presidential and Duma election as a scenario acceptable to both parties to the amnesty. But this obvious version of amnesty was not realized. Why?

The presidential team always had skillfully used the factor of fear before the opponents of the reform. At the referendum in April 1993 they managed to reduce everything to a fight between the two camps—of supporters and opponents of the reform. During the September-October crisis they also managed to create a situation of confrontation. In December, however, no matter how Russia's Choice tried to put together a single bloc, no matter how it tried to present the elections as a fight between two forces, it failed. After the election, a hysterical campaign of fighting the threat of fascism began. **The idea was quite old: First drive all the democrats under the banner of anti-fascism, and then into the pro-president bloc.**

The administration still has not given up on the idea of "uniting" out of fear for the fate of the reform. **But how to produce such fear?** The course of the reform had been such that the fear for the fate of reform had been increasingly associated with the administration's incompetency. Nobody feared Zhirinovskiy and Zyuganov. Hence came the idea to free the GKChP [State Committee on the State of Emergency] members and the Octobrists in order to restore the situation of psychosis, hysteria, and fear among the democratic forces. **This was the desire that prompted the administration to go ahead with an unconditional amnesty.**

It will be necessary, of course, to dramatize the amnesty. "Betrayal" on the part of one of the presidential parties (the most obedient one will play this role, of course). The "dramatic" resignation of the general procurator. "Disagreements" among advisers and aides. Panic in the ranks of Russia's Choice. Democratic Russia getting hysterical. The purpose of this all is to scare both the people, all democrats, and the West. Then chances of gaining from the amnesty increase.

So what did the high contracting parties—the presidential team and the Duma—agree on? Let me sketch a probable blueprint. They could not fail to consider three scenarios for the development of events.

**Scenario No. 1. "Ideological Fighters."** Not wishing to acknowledge themselves guilty, the accused reject the



amnesty and demand a trial. A scenario that is most dangerous for both sides. It leads to a rising authority of the accused, which neither the presidential nor the deputy side want.

**Scenario No. 2. "Second Roles."** After the release, some prisoners will leave politics altogether for now, while others will settle for the roles offered to them by the new opposition leaders. This is not the worst scenario for the presidential side, since this produces a "watch thy brother" situation, and amnestied extremist leaders find themselves under the control of more moderate Duma leaders.

**Scenario No. 3. "Old Leaders."** Released extremists do not settle for second roles. But the Duma is occupied. Then they have to regain their position outside the Duma, in the streets. The situation in the country is exacerbated sharply.

In this case the Duma with clear conscience "surrenders" these incorrigible and ungrateful "heroes of street fist-fighting" (using I.P. Rybkin's term) to the administration. This scenario would suit the administration best. This they can use to scare both reform supporters and the West. They can even push through approval for a state of emergency.

One would think—so what! Politics is impossible without games and cunning. But in reality the situation is not all that harmless.

**First**, the third scenario, which is most realistic, may lead to a dangerous development of events—if they remain passive, if the mood in the Army is uncertain and reformist forces refuse to unite to the crack of the administration's "whip."

**Second**, the voters, tired of attempts to make policy behind their backs, may lose the last shreds of confidence in both the president's administration and the president himself. Having realized that they have been manipulated, supporters of reforms may stop responding to appeals for support.

**Third**, the exacerbation of the situation caused by extremist actions of those amnestied, and their second incarceration, will not create the public background so greatly needed in already difficult negotiations on coalition.

To overcome this danger, the administration does not have to reject the amnesty. It needs, first, to severely limit the spectrum of potential actions of the former Lefortovo prisoners. Both with respect to their right to participate in political activities and with respect to the right to be elected. **The Duma ought to pass amendments to the amnesty decision.** For instance, that some of those granted amnesty are barred from obtaining a Moscow residency permit; some—from engaging in activities involving commodity and material values; and so on, and so on.

And second: Constructive forces in society and the presidential team should not wait for events to develop, but should anticipate them by expanding the work on forming a national coalition of supporters of reform.

What is needed, however, is unity that is based on a constructive foundation instead of fear. Unity on the basis of agreement with, rather than subordination to, the administration.

I remember Korney Chukovskiy's poem "Fedora's Trouble." This Fedora let her house get into such bad shape that all the dishes ran away from her. Fedora kept trying to frighten the escapees with all sorts of horrors—that they would get lost, drown in the bog, etc. But this policy of fear did not work. Fedora finally won by promising to radically rid the house of all the old dirt. And then the dishes came back.

#### **Popov Conclusion About Amnesty Doubted**

944K0829B Moscow ARGUMENTY I FAKTY in Russian  
No 9-10, Mar 94 p 2

[Article by Aleksandr Sobyenin and Andrey Uglanov: "Should We Look for a Black Cat Where There Is None?"]

[Text] According to G. Popov's version, the political prisoners amnesty act is an action that had been planned in the Kremlin. But is it really so?

#### **The Duma and Its 'Harmlessness'**

The State Duma's central apparat is about to exceed the size of that under Khasbulatov. Counter to the Constitution, I. Rybkin is becoming a political figure of significance. Strangely enough, B. Yeltsin himself, as well as V. Chernomyrdin, is helping him in that. They interact not with the Duma council, as they are supposed to, but with him personally.

The first most important stage—the takeover of the Duma apparat—may be considered a fait accompli. Which means: Its tremendous transportation capabilities (up to the use of private airlines); access to all government and military objects; equipping their offices with all sorts of government communications; the right to summon to the Duma any officials; and so on.

Next on the agenda is the removal of the main political opponent—B. Yeltsin. It is possible in principle? They need the support of only 20-25 more deputies to reach the 298 votes needed to impeach the president.

#### **The Kremlin and Its 'Geniuses'**

Let us leave the president himself outside our commentary. As is known, the retinue makes the king. How did it behave in the amnesty incident? Presidential advisers G. Satarov and Yu. Baturin undoubtedly are good as political scientists of the "Itogi" program, but in this case, with the help of that same television, they have demonstrated an inability to make on-the-spot decisions. It was disappointing and strange to realize that sometimes they did not know what was happening right next to them.

The president's Chief of Staff, S. Filatov, did not make his position clear, either. The same goes for R. Orekhov, chief of the state-legal administration (GPU).

As is known, the style of B. Yeltsin's retinue is to react frantically to events that have already happened. So today rush preparations are being made for the president's television address. The resignation of General Procurator A. Kazannik has been accepted. It came to the point that the

president finally fired the head of the FCS [Federal Counterintelligence Service] (formerly the KGB) N. Golushko. The investigative detention facility in Lefortovo was under the latter's jurisdiction. Let us remind our readers that B. Yeltsin had not dared to do this even after the October events, when the MB [Ministry of Security] demonstratively stayed out of the fray.

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One very much wants to believe that the Kremlin is conducting a sophisticated and farsighted policy. But the doubt persists: Are we not witnessing unpreparedness and confusion among the Kremlin chiefs as we did in the beginning of the October rebellion in Moscow?

### **Aleksey Kiva Views Amnesty, Possible Consequences**

944F0389A Moscow ROSSIYSKAYA GAZETA in Russian  
2 Mar 94 pp 1-2

[Article by Aleksey Kiva under rubric "At the Crossroads of Opinions": "Amnesty: Pros and Cons"]

[Text] I tend to associate our stormy political life simultaneously with American roller-coasters and Russian swash-buckling horseback races. Here, as a rule, there are both sudden sharp, nerve-tingling curves and people tumbling from the saddle. Just a few days ago public attention zeroed in on the President's State of the Nation message to the Federal Assembly. Then, after barely having time to discuss it meaningfully, we, voluntarily or involuntarily, switched our attention to the development of the plot spawned by the amnesty. And now we are suddenly faced with the fact of the precipitous release from Lefortovo Prison of Aleksandr Rutskey, Ruslan Khasbulatov, Albert Makashov, Viktor Anpilov, Ilya Konstantinov, and other instigators of the bloody October events and Mayday clashes, which also had casualties. Also absolved of punishment, regardless of the court's decision, are the organizers of the unsuccessful August coup. At the same time, Procurator-General Aleksey Kazannik was relieved of his position, albeit ostensibly at his own request.

But let us get away from emotions and make an effort to comprehend all this, taking into account, among other things, the subsequent "exposure" of the ex-procurator.

First, what actually happened? The Duma passed a decree in full conformity with the Constitution, though one could, of course, argue where amnesty ends and pardon begins and what, actually, are the prerogatives of the Duma and the President. But such a debate would surely be unproductive. What guided the Duma, or more precisely, the majority of its members? As the decree states, objectives of "national reconciliation, achievement of civil peace and concord." We can assume that it had other, or even entirely different, objectives. More precisely, some deputies were really guided by the idea of reconciliation, some were moved by revenge, some pursued their personal or group political goals, including setting their sights on the presidential election, some cherished the goal of destabilizing the situation, and so on. So what? That is real politics, the vector of which is the sum of the actions and reactions of many interests.

It is another question how the Constitution could make such a sensitive, multidimensional problem as amnesty, moreover at such a complex, transitional stage from one social system to another, the sole prerogative of the Duma? But, Messrs. comrades, who is to blame but those who drew up the draft Constitution and introduced the final amendments to it? Tantrums should have been thrown then; now it's too late. Or, perhaps, at the time people had forgotten about Lefortovo?

Second. Every complex matter has its pros and cons. Let us start with the latter. With the cons, for it is precisely they that are now arousing public opinion. Of concern is precisely what Kazannik spoke of in his resignation statement. It is dangerous and immoral to set free people who are guilty of the death and injuries of many people and of causing considerable material damage. Yes, that is so. Evil must be punished, because otherwise it tends to spread like a cancerous tumor. Essentially, the bloody October events became possible only because the organizers of the bloody May events had remained unpunished, and before them, the organizers of the Ostankino pogroms. The "implacable opposition" was quite openly preparing for violent actions with virtually no significant opposition. On the contrary, it was wholeheartedly supported by the former Supreme Soviet and enjoyed its patronage, coupled with the fact that the procurator's office and court mishandled things, and even now we find that the Procurator-General, whose resignation was swiftly accepted by the President, acted inappropriately. Clearly, the amnesty was poorly handled. The procurator, for his part, either did nothing or remained aloof and then acted too hastily. Why? Another mystery. It is something of a conundrum: By its very logic, amnesty presumes the guilt of the person to whom it applies, whereas Khasbulatov—and he is not alone—vociferously declares that he doesn't consider himself guilty, that he suffered in the fight for freedom. In other words, there is neither punishment nor remorse. In purely Russian style.

The worrisome thing is that the people coming out of Lefortovo Prison may take up their old cause. Anpilov has already declared, in his purely public rally manner, that if, having gained freedom, he sees that prices are declining, then he'll concede the correctness of Boris Yeltsin's course, but if they rise, then he will raise the masses. And he has already taken part in a rally.

Theoretically, there is the danger of inflaming passions in society and destabilizing the political situation in view of the mounting dissatisfaction with the practice of delaying wages, persistent problems of reciprocal nonpayment, the state of affairs in the economy as a whole, and the disastrous situation of many "budgeteers."

There is a threat that the people coming out of Lefortovo will assemble a powerful opposition movement on a national-patriotic platform, a platform of counter-reform, and will seek to unite with the "implacable" in parliament. They will try to shift their main actions to the streets, inciting mass strikes, organizing disobedience campaigns, demanding a complete change in the course of reforms, and even an early presidential election. A hypothetical leader of the opposition is already being named: Aleksandr Rutskey.



Such apprehensions are already being expressed in the mass media, and I hear them from colleagues of mine, including like-minded people or people with views close to mine, with whom I have recently been heatedly exchanging views. One of them declared quite strongly: "The maneuver of President Yeltsin's opponents in the Duma has succeeded. The amnesty is a defeat for democrats. It is a victory for opposition forces; it is not accidental, after all, that Vladimir Zhirinovskiy came to Lefortovo specially to declare his solidarity with the leaders of the October rebellion. As for those democrats who voted for the amnesty, in particular Sergey Shakhray with his strategic calculations of sorts, they have miscalculated. They simply overplayed their hand."

Only the future will reveal the correctness of one side or another, as well as who won, who lost, and who was duped. But what should not, what must not be forgotten? Firstly, that the Duma decree is a package. It includes not only the amnesty (moreover, not only political, but also economic), but also repeal of its previous decree of 16 February, "On Confirming the Members of the Commission for Investigating the events of 21 September-4 October 1993." It goes without saying that such an investigation would have excited public opinion no less than the amnesty itself. The decree also includes a Memorandum of Understanding, the significance of which should not be overlooked. The MPs have declared to the country and the world: "We are convinced of the impermissibility of destabilizing the situation in a country which possesses such a huge weapons arsenal... Accordingly, we consider it necessary to engage in political struggle strictly within the framework of the law and not resort to, or in any form call for, violence, ethnic discord, or the suppression of people holding different views." If these are but empty words, then there is simply nothing to talk about. In that case the political elite is beyond the pale of civilization, beyond responsibility, in the power of primitive instincts, barbarian "political culture," and a society that brings forth such an elite can stop thinking of democracy. Our fate is dictatorship, we are incapable of anything else. But that is not really the case.

Secondly, one should not disregard the fact that the events of August 1991 and October 1993 were of an unusual nature rarely encountered in world practice. Therefore, despite their similarity to many widespread phenomena, they should be treated as something exceptional.

The human losses, spiritual, ethical, and in part even political losses associated with the "shooting of the parliament" were, I sincerely believe, forced actions to prevent civil war and disintegration of the country, and they lie solely on the conscience of those who first called people to arms. Besides, we may have been at the threshold of a new terror. But you must agree that all this took place in conditions of actual dual power.

Thirdly, we have, apparently, not yet fully realized that we are living under a new Constitution, that we no longer have an almighty Supreme Soviet, and that in addition to the Duma we also have a higher chamber, the Council of the Federation. Let us suppose that Konstantinov, Anpilov or someone else would really like to fish in muddy political waters for the sake of that very "destabilization of the situation" mentioned in the Memorandum. What would follow then? Why, if nothing else

works, the President would issue, with the approval of the upper chamber, an edict declaring an emergency situation. Then no one can tell him what to do! But if even then the situation gets out of control, the problem would be not the Anpilovs or Konstantinovs, but the bankruptcy of the political course itself, the people's failure to comprehend the essence of reform.

But let us pose the question differently. Nonpayment of wages for months on end, chronic government debts for delivered produce, a stalemate because of mutual nonpayments, and the chaos pervading the economy in general: is all that normal and acceptable? It is not, after all, our intention to carry out reforms in the name of reforms and against the interests of people. As I see it, the President in his message to parliament considers such things completely abnormal and demands their quickest elimination. Or perhaps it is normal that neither Gaydar nor the people who have replaced him have deemed it necessary to keep up a constant dialogue with the people.

We must explain to the people of Russia what kind of society we want to build, what our ideals are, what our new spirituality is. We should allay our compatriots' fears and give them confidence in the future. So far nothing like this has really been done.

Third, and here I am taking up what may be in favor of "opting for": for positively resolving the question of the amnesty as an important component of the package decree. It is time for those who call themselves democrats, reformers, people dedicated to a rule-of-law (socio-rule-of-law) state and to market (socio-market) relations, who honor our traditions and care for our national interests, to stop arguing, splintering, and especially infighting. The society will soon lose any idea of who is really a democrat. PRES [Party of Russian Unity and Accord] voted for the amnesty and, it is said, decided its fate. Also voting for it were "Women of Russia," "New Regional Politics," all or most of the "Yabloko" [Yavlinskiy-Boldyrev-Lukin] faction, and many of those who can't be called either anti-reform or anti-democratic. Actually, only "Russia's Choice" voted against. It is logical to ask why there is such divergence in the democratic camp? The reason is that there are, among other things, different views of the events of September-October 1993, and even, to some extent, of the events of August 1991. So perhaps it would be reasonable to try and bring them together, even at the risk of failure. Politics is impossible without taking risks.

It is, actually, high time to recognize realities in the broader aspect and get out of the cocoon of sectarianism. If the concept of "democrats" is reduced to "Russia's Choice," what can they do without forming blocs with other political forces and making compromises with them? Retreat into total opposition or prod the President towards some kind of actions? Frankly, I see nothing positive along that road. Because in parliament there is a certain balance of forces supported by certain moods of our citizens. One can only blame oneself for inability to conduct a dialog with the people and for mishandling the parliamentary elections, roll up one's sleeves and work hard for the future. As for the President himself, I consider that he acted quite appropriately. There is no sense prodding him



towards confrontation with Duma members. After all, work with the Parliament is only just beginning.

And one more thing. It may develop that the supporters of reform would do well to accept speaker Rybkin's formula, which he proposed during his address to Parliament on 28 February. Essentially, the idea is to implement a program for getting out of the economic crisis prepared within the Duma. Provided, of course, that it is based not on intentions to abandon the course of market reforms altogether or to create a "government of national unity" made up of, say, Gennadiy Zyuganov, Vladimir Zhirinovskiy and, perhaps, Anatoliy Chubays, which would lead to the collapse of all and everything.

What, essentially, is of fundamental importance to reformer-democrats? To preserve the democratic Constitution and the strategic course of reforms. And also, to win the coming presidential election.

Fourth. The amnesty will, in my view, hardly promote the cohesion of extremist forces in society, and in this I tend to agree more with Shakhrai than with his critics. Of course, there are still unknown quantities which make predictions difficult, although much will get clearer in the very near future. However, I have always considered—and so far have not changed my opinion on this score—that as soon as Aleksandr Rutskoy appears on the political scene Zhirinovskiy will fade away as a presidential contender, literally before our eyes. When he voted for the amnesty Vladimir Volfovich probably didn't even realize that he was thereby placing a mine under his ambitious plans. But I do not preclude the possibility that circumstances may force Boris Yeltsin to once again enter the arena of struggle for the presidency and, as the ancient Romans used to say, deserve his triumph. But we still have to live up to that time.

**Sobchak on Politics, Reform, Zhirinovskiy**  
944K0837A Moscow LITERATURNAYA GAZETA  
in Russian No 9, 2 Mar 94 p 12

[Roundtable discussion with St. Petersburg Mayor Anatoliy Sobchak at the LITERATURNAYA GAZETA editorial offices; date not given; published under the rubric "Club 206": "Anatoliy Sobchak: It Hurts When a Great Power Has Such a Parliament"]

[Text] A. Udaltsov, editor in chief: Anatoliy Aleksandrovich, you were one of the most prominent personalities in our first (then all-Union) parliament. Tell us please, what is your opinion of the current Federal Assembly?

A. Sobchak: Frankly, it hurts that a great power has such a parliament. Unfortunately, many people who made it there are absolutely unprepared for parliamentary work. There are also people with a simply criminal mentality. We know that so far the parliament has not adopted a single positive decision. It is engaged in internal score-settling, endless rallies, petty internal scandals, and defining its own status.

At the same time—and I have already said this more than once with different audiences—we are not seeing the results of the 12 December elections in the correct perspective. After all, we did get a new Constitution and, for the first time, completely different relations between

citizen and state. Unfortunately, very little is being said about this. Most importantly, for the first time we held elections in an environment of a multiparty system, by party lists (other than elections in single-seat districts). Now about the results. In order for the results to be different, we should have avoided mistakes—the government, the president, and the political parties. But it was clear from the very beginning that the new parliament would be a motley crew.

Nevertheless, the elections did take place. There is a new parliament. What its fate will be depends to a large extent on itself. For me, the important part is that we will no longer be in the same political dead end we have been in for more than two years.

Looking back at the elections today, what remains to be done is to analyze honestly, harshly, and objectively why the outcome was completely different than that we had hoped for. When I say "we," I mean politicians and organizations of a democratic orientation. Nevertheless, we have taken a giant step down the road of establishing democracy in Russia.

O. Moroz, editorial board member: It appears to me that over the past two years you have faded as a politician. How do you explain this? Are you counting on a second wind? Do you intend to run for president in 1996? In your opinion, who will be president?

A. Sobchak: Relatively faded... I myself do not feel that I have faded... Because I have lived the last two years at the limit of my abilities. I worked perhaps more, and more actively, than previously in the parliament. When I came to the parliament from academia, teaching seemed like leisure to me. Now I am responsible for the life of a 5-million-strong city, parliamentary work seems rather easy and free of responsibilities. Here, the responsibility is different: You are responsible for the life of a city where something happens every day. Today it is a fire in the Admiralty; tomorrow an entire rayon—300,000-400,000 people—is without heat, light, and water. Or, for instance, the situation with purification systems... City residents are not even aware of the situations we encounter in the old city with decrepit communications.

That is why I perhaps do not participate in political life as actively as I did when I was a member of the Supreme Soviet and the Congress. But I am involved in the work of the government, the Presidential Council, and in drafting many decisions.

Being in power and having responsibility for the state of the city I could, of course, build up much greater popularity for myself by criticizing decisions I disagreed with. Had I said in the press and on television everything I say in the government or at the Presidential Council, it would have given me much greater popularity. There are things I could say and tell. But I believe I should not do so. Because we are going through a very difficult time. To hand over to the irreconcilable opposition my own analysis of the mistakes and wrong decisions that have been made, and are still being made, is to pour water on the mill of the counter-reformers, the enemy (the latter definition is simpler and more precise).

Over the past two years I have been asked many times whether I intend to run in the presidential elections. And I have said repeatedly for two years that I have a much simpler and more modest task. I am facing reelection in 1996—the day the president's term expires, my term as mayor also expires. Until then I do not intend to go anywhere. I promised the people of my city when I was running for mayor that I would work in the city honestly and conscientiously for five years.

**O. Moroz:** What if Zhirinovskiy becomes president?

**A. Sobchak:** In the event the impossible does happen and the country goes to Zhirinovskiy, I will do everything I can to have Petersburg secede from Russia.

Now, about elections of a new president. Of course, we have to start preparing for them now. As for myself, I am not preparing for these elections for a number of reasons. One of them is a superstitious feeling of self-preservation. Not a single political figure from Leningrad or Petersburg fared well after moving to Moscow. Most often their life ended prematurely and violently.

**A. Udaltsov:** How, in your opinion, did a change of course take place in connection with Gaydar's departure? Was this course correct?

**A. Sobchak:** In principle, Gaydar's course was absolutely correct. There is real proof of this. I will not compare our economy with the Ukrainian, Belarusian, or any other. Today we have already reached the point where the Russian ruble is no longer termed "wooden." While other republics consider their currencies "wooden" in relation to the Russian ruble. I realize that 100 percent foreign currency convertibility, at least in relation to these "semi-currencies," coupons, and such, is small consolation, but still. When I went with the president to sign an agreement with Georgia, it was as if we had returned to the end of 1991, except even worse: The same distribution of basic foodstuffs by coupon, bread lines, empty store counters... Returning to St. Petersburg, I deliberately asked many people: Would you like to go back to that today? Yes, many people are unhappy about prices. But would you like to go back to December 1991, when there was a shortage of everything? Everything except lines? I am convinced that not a single person in Russia now, now that we have experienced store saturation, is dreaming about the past, unless he is playing political games.

The reform course had been chosen correctly. It was impossible to make it without certain elements of shock therapy. But from the very beginning a mistake, typical for Russia, was made. While implementing the reform it was necessary to make realistic adjustments to it. The idealistic straightforwardness in the implementation of the reform was obvious.

In St. Petersburg our radical democrats accused me of conservatism, shouting that I was shielding the nomenklatura. All because I kept as advisers in the mayoralty many people from the old nomenklatura who know how to work. I also advised Gaydar: Have as advisers people who know the national economy. The kind you can wake up in the middle of the night to tell you what a plant in Nizhniy Tagil makes, what is produced in Sverdlovsk and Petersburg, or where production of some or other item can be set

up. They are not being utilized today in any way, but they have tremendous experience.

**Yurly Shchekochikhin, member of the editorial board:** I am interested to learn about the chief of the Baltic Steam Line, Kharchenko. He was arrested for taking bribes. Then he was let go. I know that considerable pressure was brought on this "case." There was a letter of support from Rostropovich, although I do not think they are acquainted. I know that you, too, spoke in defense of Kharchenko. I think this is not quite proper for a city mayor. It resembles the old party obkom [oblast committee].

I am generally uncomfortable about a class approach to corruption. If he is one of ours, he can do anything...

**A. Sobchak:** I think the entire definition of the corruption issue is completely incorrect. I remember all those conferences on corruption, Ruskov's appointment as the man in charge of combating this evil—before those 11 suitcases surfaced. And mutual accusations? All this creates an absolutely abnormal, distorted atmosphere of public life. It fogs the environment, and then those who truly are corrupt, who take bribes, remain in its shadows. While such people as Ruskov and Shumeyko slug it out. By the way, I am convinced that neither one nor the other is corrupt. They, of all people, did not take bribes. Meanwhile, the ordinary citizen, a Philistine, gets the impression that they are all from the same lot.

Corruption is the main topic played up by the counter-reformers, those who are fighting against democracy in Russia. Their goal is to destroy confidence in the new authority.

This situation seems absolutely abnormal to me. Wherever we are dealing with crime and corruption we have to have concrete facts. Instead, people are pushed out of politics by talk and rumors.

Now about Kharchenko. I took a very definite position on this matter because from the very beginning it acquired political overtones. There were attempts to use it against the city mayoralty and against me personally. I know that it was organized at the directive of Moscow, because they needed an example. This case came up right after the conference in the Kremlin on combating corruption and crime. Comrade Ruskov proposed: Let us stop the idle talk; organize a few cases so that people can see who steals and how. And suddenly, without rhyme or reason, proceedings are initiated, and a man is arrested right on the train. Why is it that all the repressions in Stalin's time started in Leningrad? It is the most convenient place to attract attention and give an example of what to combat and how. I believe, however, that when a criminal case gets political overtones, I, as the mayor of the city, as a political figure, as a citizen, and as a jurist, have an obligation to speak up. And not only with respect to Kharchenko. As to his particular case, we will wait and see. Let us see how this case ends and what kind of charges are brought. There are no bribes involved there. He has nothing to do with corruption. For my part this is not a class approach—it is the position of the mayor of the city in which the chairman of the Union of Entrepreneurs and State Enterprise Directors is arrested. Economic managers turn to me: Why are we again being arrested, grabbed in the street? Also, a taste has suddenly developed for arresting... academicians. It is

dangerous to fight gangsters. An academician, on the other hand, especially on an economic matter, on charges that he has allegedly set up an illegal structure, may be taken right on the street, by people brandishing submachine guns and pretending that they are fighting mature criminals.

Unfortunately, today all talk of corruption is phrase-mongering. I am telling you as a jurist. Until I see in the Russian Criminal Code the words that corruption is a crime consisting of such and such, as a jurist and a citizen I do not want to discuss this evil altogether.

**Yu. Kulikov, deputy editor in chief:** In September of last year, when Edict No. 1400 came out, could you foresee the consequences it would lead to? After the events of that fall the situation in the country, in my opinion, remained as unsettled as before, if not worse. So was it worth it, as they say, to start the scuffle?

**A. Sobchak:** Such a method of resolving a political situation is altogether unacceptable. They could have, and should have, done it without tanks shelling the parliament building. Thus avoiding national shame. Of course, when you do not know how to play chess, and the opponent starts winning, you can take the chess board and slam him on the head with it. This is the same: They could not win the game, so they slammed the opponent on the head.

I was not the one to make this decision, however. The Presidential Council is a consultative body. At its meetings we only express our opinion, and the president has the right to follow it or disregard it.

I want to emphasize, however, that when it got to the point of armed rebellion, which is precisely what was happening in Moscow, I did not have any doubt that force had to be used to suppress the rebellion. Therefore, on my own initiative, I sent two OMON [Special Designation Militia Detachments] regiments to Moscow, leaving my city practically exposed. Since approximately 1600 on 3 October it was clear to me that this was a matter of life or death. And of the future of the country. I gathered my staff together; we discussed what was going to happen and what we have to do if power in Moscow fell into the hands of the rebels. I believed then and believe now that one has to fight for his ideas rather than wait to be hanged on the first available lamppost.

**Yu. Solomonov, deputy editor in chief:** If fascists come to power in Russia, St. Petersburg can, of course, secede. But do you not think that lumpenization of the population in the city on the Neva is proceeding even faster than in Moscow? I mean the numerous pro-fascist publications there, the mood, and most importantly, movements and organizations of this bent.

**A. Sobchak:** Thank goodness, over the past three years our city has not experienced the same kind of political battles as other places. I consider it one of our main achievements—the city lives a calm political life. We do not prohibit anyone from holding rallies or demonstrations. And they take place in a somewhat different key in our city...

Now about how we are fighting the spread of pro-fascist attitudes. First and foremost, we are trying to restore Petersburg as a spiritual and cultural center of Russia. Much has already been done. For instance, not a single

theater has closed down. On the contrary, many new ones have opened. We try to have cultural events take place in the city each day; we want to turn it into a center of international festivals, meetings, seminars. In addition to everything else, it may become one of the distinguishing features of the city and one of the main sources of revenue. Today I am doing everything to ensure that no more plants are built in Petersburg. We are trying to move production facilities away from the center, especially hazardous ones. I think that most military-industrial complex enterprises will die out. First and foremost because there are no people in Petersburg today who would wish to do such hard unskilled work. Take the Kirov Tractor Plant, where in the past a man—as a rule covered with tattoos and rippling muscles—sat there and tightened nuts on Kirovets wheels. Where did such a guy come from? The general director would come to the obkom and say: I need a residence permit for 5,000 "nut-tighteners." The Leningrad Chief Construction Administration also brought in about 20,000 construction workers a year, who were housed in dormitories. This is where Zhirinovskiy's supporters come from. They are well aware of this in Moscow. In place of the defense sector, dozens of enterprises should arise, which will produce all sorts of products for people. This is our future. By the way, there are no factories in Paris...

I think it is in our common interest not to let the country become the Russia of Zhirinovskiy. And this should not happen. Such provincial fascism, a provincial political snow job at an unbelievably primitive level... Russia will not allow it to happen.

**Yu. Solomonov:** Germany also thought highly of itself.

**A. Sobchak:** Still, history does not repeat itself. People do learn from the mistakes of others or from tragedies of the entire humanity. Therefore, what could happen in Germany at the end of the 1920's-beginning of the 1930's cannot be repeated in Russia at the end of the 1990's and beginning of the next century.

**Yu. Solomonov:** All this is interesting to listen to. We have to get rid of hazardous production. But is there not an attempt at a certain social selection in all this? Your colleague Yuriy Luzhkov put restrictions on the entry into Moscow of persons of Caucasian ethnic origin. You put restrictions on "nut-tighteners." This is not the way to improve the quality of society and not the way to fight crime. You can, of course, create "oases." But this milieu will exist somewhere else and will coagulate into seats of social tension. At the 101st kilometer, perhaps?

**A. Sobchak:** Do not interpret me in such a primitive way. We say that the city's profile needs to be changed—not that Kirov plant workers should be thrown out on the street. They must start doing other things. It is a job for a robot to tighten nuts. A worker must move to another job that will have more content, spirit, will transform him.

**A. Sabov, commentator:** You said that there are no factories in Paris. There are factories in Paris. In Rome, however, there is only one plant—it makes gas lighters. Rome is completely a city of intelligentsia. But it is also a city of strong right-wing traditions. The fascist electorate there is very great. Therefore, ridding the city of proletarians does not insure it against fascism. How many people in your



city live below the poverty line? As city mayor, what do you do above what the central authorities do?

**A. Sobchak:** I would like to get rid right away of such a formula as "getting rid of workers, of the proletariat." We do not intend to get rid of anyone. I repeat once again: The meaning of the program is to give these people different jobs. So that they may do other things in the city. In particular, in Paris, too, the Renault plant is not in the center of the city. As for people living below the poverty level... This is one of the main problems and difficulties of transition from one system to another, building a principally new economy. The state may succeed only if during the transition period it provides a proper standard of living for the people and proper social programs.

Journalists reproached Luzhkov for not wanting to let people from the Caucasus come to Moscow. But this is not Luzhkov's problem—it is a problem of a state that does not have borders. When Russia sets up its borders and begins letting into Russia only those it wants to let in on business or as tourists, then it will be a different matter...

Until Russia has borders, it will be very difficult to fight crime.

Now about social protection. Our city is special. Even Moscow cannot be compared with it. One and a half million out of 5 million of our population are pensioners, disabled, and survivors of the blockade. These are the people who have found themselves practically below the poverty level. And we were the first in Russia who had to introduce allowances for them, spending almost half the budget on it. Every quarter we determine the subsistence minimum. And make up the difference to those whose salaries or pensions are below that minimum. Of course, because of this we build less housing, or do less of some other things. But when I speak to the citizens of the city, I always say that I cannot do otherwise. If you believe that this is wrong—please, you have this right, collect enough votes and recall me. As long as I am the mayor of the city, I cannot stop caring for these million and a half people.

Thanks to some social measures, the city remains stable. Our bread prices are still much lower than those in Moscow. Perhaps this is the reason Zhirinovskiy came in only fourth in our city. And the democrats as a whole took 65 percent of the vote.

**D. Molchanov, commentator:** You have said the word "enemies" several times. This is a very strange trend. Do you not believe that the authorities today deliberately are building up the image of an enemy? And do you not think that this is happening because, as experience shows, this authority can only operate effectively in extreme situations?

**A. Sobchak:** I do not think so. The authority is not creating the image of an enemy. It is simply that during the transition period there are people who do not accept this authority and are ready to fight it—not by political methods but with arms. Which they have said many times. The same Zhirinovskiy is already threatening to put many in "Sailor's Rest." This is all much more serious than you think. For instance, a few days ago in Petersburg a whole underground munitions plant was liquidated. There are also armed groups pursuing specific goals. By the way, we

have already seen this in the example of 3-4 October. This is not the image of an enemy—these are real enemies. Perhaps those who take up arms are not strictly speaking enemies, just confused people. But those who are behind them are real enemies of Russia going the way of democratization, of Russia becoming a democratic instead of militaristic state, a state that works for its citizens. You are mistaken if you think that someone is creating this image.

Here is the reality—in Petersburg as late as 1989, 76 percent of the economy was working for defense. This set the stage for a real confrontation of interests. People who are fighting to preserve this status are enemies of our society. We should not be afraid of this word. If they really come to power, they will shoot, root out all elements of democratic life. Because they do not need it; it is against their interests. Therefore we should say these things straight. The Moscow events in October showed that the irreconcilable opposition has well-armed, organized structures. And arms, and money, and trained people. You cannot dismiss this.

And I cannot agree with you that the authority is effective only in extreme situations. Had that been the case, today we would be like Georgia. We do live somewhat differently.

**A. Rubinov, commentator:** As is known, you have already been president... of the Consumers Union! So how can you allow the offensive against the consumer to come from Leningrad of all places. Your city, for instance, was the first to raise public transportation rates. And yesterday there was a report that in your city one has to pay now to get information on the train schedule. The whole perestroika started with charging for the use of public restrooms.

**A. Sobchak:** In Norway it costs a dollar to use a public restroom. The minimum wage there is \$2,500, however...

Anatoliy Zakharovich, as a former president I will say this to you, the former vice president of the Consumer Union. First, your information regarding Leningrad introducing this is somewhat incorrect. We always watch to make sure that our prices are not higher than those in Moscow. In our city, for instance, those who use public transportation pay only 14 percent of the real cost of the ride. The real cost of a subway ride in Petersburg today is R210. But the passenger pays only 14 percent.

**A. Rubinov:** Are there examples in the world where public transportation is self-sustaining?

**A. Sobchak:** Everywhere.

**A. Rubinov:** Nowhere! Nowhere in the world!

**A. Sobchak:** Everywhere. Because the cost of using public transportation in all developed countries is extremely high. One subway ride in Norway costs \$7... Now, about fees for information. A journalist's car is built somewhat differently than that of other people. This information was reported this morning. I heard it. This is what it said: We have learned that the October Railroad administration is considering introducing fees for information beginning next month... But you should know that the Leningrad Station in Moscow also belongs to the October Railroad. Therefore, if this is introduced, it will be in effect not only

in Petersburg but also in Moscow. As mayor, I will try to interfere. To which the railroad chief will tell me: I plan to make R200 million a year on this. I will tell him: All right, I will pay you this R200 million, but do not disgrace our city in front of the rest of Russia. That is all. But I cannot order him.

**A. Rubinov:** If the MPS [Ministry of Railroads] begins to charge for information, it will be more profitable for it to keep changing the schedule than to stick to it. This way the MPS will show a wonderful bottom line, while the trains will be late even more often.

**G. Tsitrinyak, commentator:** A purely practical question. The last time I saw ground attendants was about 15 years ago in the Maksim Trilogy movies. They were dispersing a demonstration there. How is the situation with ground attendants now?

And the second question. Do you not believe that people who get maimed on city streets should get compensation from the city treasury?

**A. Sobchak:** The second question is easy to answer. We have legislation which assigns each city street to housing offices and enterprises, which are legal entities. Therefore, there is always someone to sue. The important part is to prove that the accident was a result of appropriate measures not being taken, or violation of existing regulations. Then the court will award you compensation for damages. I happen to be a specialist in this area. In almost all cases, those who turn to the court get compensation for traumas received on the street.

Regarding grounds attendants. We have lost them, and normal care of buildings along with them. Generally speaking, we will have to do a lot to get things in order. For instance, the mayoralty has appropriated R100 million to put lights in all arch passageways in the center of the city. We have practically completed this work. We are also restoring the position of grounds attendant. Although this is a very costly undertaking. It will cost the city budget about R10-15 billion.

**Yu. Kulikov:** In your future book, which LITERATURNAYA GAZETA recently referred to, you maintain that the LDPR [Liberal Democratic Party of Russia] and its leader are a creation of the KGB and the CPSU Central Committee. However, Gorbachev immediately refuted your statement...

**A. Sobchak:** Yes, I am writing a book "There Once Was a Communist Party..." It will contain quite a few little-known facts and details. In particular, this story. Mikhail Sergeyevich says that Sobchak was not present at that particular Politburo meeting, and that it did not adopt a decision regarding the LDPR. But this is not what I am saying. An opinion, as they say, was floated, an idea—to take the process of formation of a multiparty system under control. And the first party that was officially registered after Article 6 had been repealed was the liberal democrats. It was organized quite quickly, efficiently, and yes, with the participation of these organs. When I publish this book, it will tell all of this in detail; I will quote documents, materials, persons. Because I realize that if I do so without substantiation, I will be facing lawsuits.

**A. Udaltsov:** Of course, LITERATURNAYA GAZETA also took part in preparing society for democratic changes. But then we saw how much blood was spilled. In Tbilisi, Vilnius, the Dniester Area, Tajikistan, Karabakh. Was there a different way to democracy—bloodless? And do you have any new viewpoint on those events in Tbilisi?

**A. Sobchak:** The first question, I think, belongs to the realm of scholastic reasoning. Life, politics, consists of realities. If we study the real experience of other countries we can see that a different transition was possible. With less blood, fewer losses. But let us recall how the transition from a totalitarian regime to democracy was carried out in postwar Germany or Japan. They lived in an occupation regime. The disciplined Germans, those who had been members of the Nazi party, were simply ordered to join parties of a liberal and Christian democratic orientation. They did so. In the final analysis it was all accomplished without bloodshed.

I am not sure that without an occupation regime there they would have managed without bloodshed. But if there are no renewal processes in society, it will simply perish. If Genscher thinks he destroyed communism, it is because he wants to think this of himself. The communist system destroyed itself. It was not the democrats who overthrew this regime in 1991. Because if you read what we were writing and saying as late as the summer of 1991, you will see that our plans assumed many years of existence of the Communist Party. But it all collapsed, and not because of some CIA intrigues or Genscher's activities—it imploded. Because it could no longer exist. That is all there is.

About the Tbilisi events. I recently met with Boris Nikolskiy, a former secretary of the Communist Party of Georgia Central Committee. He is still convinced that the main mistake was that the action was not tough enough. Had it been tougher, more decisive, everything would be in order. This is a tremendous delusion! And the impotence of the authority. Patiashvili and other Georgian leaders instinctively felt their impotence. All the rayon and lower level party committees apparently function, but then suddenly some people appear out of nowhere, gather a rally, and people follow them. The authorities can do nothing about it.

This impotence of the authorities begets fear. And fear begets an inclination toward violent solutions. Had the massacre not taken place in Tbilisi on 9 April, I am convinced that we would not have this provincial fascism Gamsakhurdia brought with him (it is Georgians themselves who found this very precise description of this regime). There would be no Gamsakhurdia. On the wave of that massacre, however, he grew into a political figure of major proportions and managed to convince the entire nation over a very short period of time that they do not live well because Russia is squeezing all the life juices from them. Georgia has everything, he said. As soon as we close the border with Russia, separate ourselves from it, the nation will recover and live well. Only a man who is absolutely sick or completely ignorant in economics could say that. He was both—sick and ignorant. And he still convinced the people that Georgia would survive without Russian oil, gas, grain, and many Russian things. But the fact is that many republics had been subsidized by Russia. Just like in Russia many autonomies are subsidized by

Petersburg and Moscow, Tyumen, and about 10 other regions. What is happening is that the excess emotions to which people are prone are being played on. We have been conditioned by all our history to create idols for ourselves. This is where our serfdom, slavery, manifests itself. We cannot do without idols. Both Georgians, and we, Russians. When we become a civil society, it will live without idols. It will not talk endlessly about the president and chairman of the government. This should be the last thing to interest people. And it is all because a free man lives with less dependency on the state than we, unfree people, live today.

### Zyuganov on Russian Geopolitics—Part 1

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24 Feb 94 p 3

[First installment of two-part article by Gennadiy Zyuganov under the heading "Essay in Russian Geopolitics": "Exploit of Rus"]

[Text] The highest flights of majestic power and spiritual purity have alternated in the history of our fatherland with periods of state and political catastrophes and religious-moral eclipses. Their deep-lying causes and roots are inaccessible to an analysis within the framework of the customary approach and require a serious and comprehensive philosophical conceptualization. This field still awaits its thoughtful and impartial researcher. At the same time, on the other hand, the practical needs of the present day insistently demand a determination of the pluses and minuses of Russia's present position on the basis of the centuries-old majestic tradition.

So that we might, finally, stand with a "firm footing" on the native soil of the country's primordial national interests, it is vitally necessary that we restore the natural historical retrospective. And the formulation of such a most important philosophical problem presupposes, in turn, the accomplishment of the following tasks:

1. The formulation of a concept making it possible to reveal and substantiate the "geopolitical invariants" of Russian national interests, that is, the stable requirements pertaining to the assurance of state security that guarantee us long-term conditions of the country's peaceful and harmonious development.
2. The formulation of a procedure of the "ideological correction" of our ailing society aimed at restoring the historical continuity of Russian life in the national self-consciousness, reviving the spiritual health of the people, and ensuring the moral immunity of public opinion to relapses into "foreign-mania."
3. Determination of a prospective model of Russia's social and state development in the channel of its distinctive traditions, spiritual reference points, and religious shrines.

### Two Approaches

A distinctive method making it possible to ascertain the invariants of Russia's state interests is that of geopolitical analysis. In terms of its content, geopolitics is a science studying the normalities of the influence of geographical factors on the role of states in world history and the

formation of political trends and the national-state interests of various peoples and countries.

The basic propositions of this science were formulated back at the end of the last century by the British political scientist Halford Mackinder (1861-1947), whose studies formed the basis of all subsequent geopolitical models of world history. The term "geopolitics" itself, however, was first put to use by the Swedish expert Rudolf Kjellen and immediately taken up in Germany by Karl Haushofer, who became a most important authority in this field.

A most important postulate of geopolitics is the assertion that for formulation of the optimum strategy of state development paramount significance should be attached not to political or ideological predilections—short-term and rapidly changing—but to stable factors of a country's spatial-geographical position. Geopolitics attributes to such primarily a state's location (continental, insular, or littoral), the size of its territory, the prevailing type of communications (sea or land), the predominant landscapes, and similar parameters.

All the remaining aspects of state life, be they commercial-economic or political-ideological, are deemed from this viewpoint to be factors which are, although important, nonetheless subordinate. It is believed here that it is the permanency of the main "support characteristics" chosen as the reference point that enable geopolitics to formulate with the maximum efficiency the strategy of state development—be it in the sphere of its foreign policy or defense.

In most general form the essence of geopolitical doctrine may be characterized by the following most important propositions:

Throughout human history two alternative, continuously contending approaches to the conquest of the earth's surface have formed the basis of constitutional development. They may be designated the continental, land-expansionist, approach characteristic of continental states and the "nautical" approach basing the economic prosperity and state power of the metropolis on the exploitation of overseas territories, which makes domination on water lines of communication of fundamental importance.

In recent European history the basic principles of geopolitics are convincingly illustrated by the opposition of the "ruler of the seas" of the British Empire to the states of continental Europe that developed in the 16th-19th centuries into a whole series of almost continuous wars and clashes both in the European region and in the enemies' continental possessions. America, which in the 20th century became Great Britain's geopolitical successor, but no longer on a regional but on a global, world scale, naturally inherited all the fundamental features of this path of development. Throughout the last century the scientific-technological revolution has contributed and continues to contribute a number of essential correctives connected with the modernization of the means of information and communication, but there have nonetheless been no fundamental changes here as yet.

Speaking in this connection of the molding of cultural and world-outlook values, it should be stipulated that the complex and mysterious sphere of the spiritual and religious-moral development of the peoples cannot be adequately described in terms of geopolitics concentrating their main attention on outward, state-political forms of societal existence. But it can be seen distinctly here that



liberal-democratic ideology with its cult of individualism and personal success serving the commercial-economic mechanism of the "market" plunder of continental sources of raw material and manpower becomes a most important pillar of the trading "nautical" civilization. At the same time, however, the traditional world outlook, with its powerful communal roots presupposing the priority of solidary, collective, conciliatory forms of societal self-organization, becomes the ideological foundation of "totalitarian" continental culture and spirituality.

With reference to modern conditions what has been said above signifies that the territories and regions lying on the "continental periphery" of Eurasia and representing a connecting link, as it were, between the inland expanses of the mainland and the expanses of the oceans inevitably become an arena of bitter and uncompromising opposition.

The "nautical" civilization endeavors to the utmost to advance inside the mainland, turning the expanses which have been won away from it into "forward-basing zones" and original strong points for the defense of its global interests. In turn, the representatives of the "continental" geopolitical tradition have no choice but to make every effort to "throw into the sea" their ocean adversary, having increased their own influence in the littoral zone, creating in this way a barrier against his expansion.

The United States expended colossal efforts to establish a celebrated "arc of instability" on the external borders of the USSR. Or we recall the well-known call of Zbigniew Brzezinski—"to nibble at the Russian pie around the edges." Truly something to think about.

In such a system the coordinate of the notorious "new world order" appears to be nothing other than an attempt to enshrine on a planetary scale the leading role of the "ocean power" United States and its satellites by way of the power imposition on the entire world community of the "liberal-market" values of the trading nautical civilization.

#### Elevation of the State

As a subject of geopolitics, the Russian state took shape back in the ninth century as a result of the unification of related East Slav tribes, the ancient cultural center of which was the Middle Dnieper region headed by Kiev. Since the moment of its formation Kievan Rus immediately became a most important state of that era, and its statehood was of an unequivocally continental nature. The basis of the material prosperity of Kievan Rus determining to a considerable extent the burgeoning of a very rich culture also was control over the inland mainland expanses through which the celebrated trading route "from the Varangians to the Greeks"—the most important communications artery of Eurasia of those times—ran.

The development of Russian statehood was from the very outset filled with dramatic content, for that matter. A stern test awaited the young state en route to prosperity: An insidious steppe predator, the Khazar Khanate kept a jealous eye on its strengthening rival. Their struggle, in the course of which it sometimes appeared that the unenviable role of submissive vassal had been prepared for Rus, until, finally, the valiant and warlike

Prince Svyatoslav smashed the khanate in the mid-10th century, lasted several decades.

The first military encounters set a disturbing tone, as it were, for all of subsequent Russian history. For 10 centuries after this Russia had time after time—again and again—in continuous rivalry with aggressive neighbors to prove its right to distinctive existence, paying for this with the blood of its best sons and daughters.

Just about the most fearful test on its historical path was the Tatar-Mongol yoke. The immense empire of the Genghis Khanites, which encompassed the entire mainland and stretched from "the walls of immovable China" to the Baltic and from Northern Siberia to Khorezm and Bukhara, was, by all accounts, to have swallowed up as part of itself for good the "land of the Rus" as a distant western province.

No one could have imagined that Rus, ravaged and perishing in the turmoil of princely fratricidal strife, would have taken over the baton from the empire of the Genghis Khanites and at a price of incredible sacrificial efforts have united within it the giant expanses of Eurasia, becoming forever a guarantor and custodian of world geopolitical balance.

Nonetheless, this is precisely what happened.

Lost in the remoteness of impenetrable forests, the downgraded hamlet of Moskova rose by the efforts of a long succession of Russian princes—patient, consistent, and single-minded builders of sovereign power—higher and higher, becoming the visible center of all-Russian national-state unity. It defended this role in the 14th-15th centuries by the diplomatic skill of its rulers, the commercial aptitude of the merchants, and the martial valor of the warriors, who fell in countless numbers in 1380 on Kulikovo Field, paying the supreme price for the independence of their country.

As a result of heroic efforts Russian statehood had acquired a new quality by the mid-15th century under the scepter of Ioann III.

Nonetheless, the true founder of the Russian geopolitical state was Ioann the Terrible. First, he conquered the Kazan and Astrakhan kingdoms—the last islets of the former Tatar-Mongol might. Russia's second strategic breakthrough was the annexation of Siberia. Altogether this process took several decades, its decisive stage was the campaign of the Cossack chieftain Yermak Timofeyevich, who was zealous for the security of the country's eastern borders against the nomad raids.

The formidable tsar clearly understood the geopolitical needs of his state. It was no secret to him that the logic of Russia's national-state interests insistently demanded control over the maritime regions, and he began in the West an exhausting and bloody war for the return of the country's sea boundaries—for an outlet to the Baltic, which had come to be called the Livonian Sea. For 12 years (1558-1583) Russia strained every nerve in the struggle against four enemies—Poland, Sweden, the Grand Duchy of Lithuania, and the Livonian Order. The cause begun by Ioann was completed by another celebrated sovereign—Peter I, the founder of the Russian Empire.

As distinct from the conventional opinion, in fighting Sweden (the strongest European power at that time) for the Baltic Peter was not so much endeavoring "to carve out a window onto Europe" as, on the contrary, to secure Russia against possible aggression from the direction of the sea.

It was these same geopolitical considerations that dictated many other famous undertakings of Peter—the building of the navy, the decision to erect a new capital "on the shore of the desert waves," and the close attention to European engineering and military innovations. When the Northern War with Sweden ended in 1721 with the Peace of Nystad (which annexed Ingria, Estonia, and Livonia to Russia), this signified not only the return of primordial Russian lands but a triumph of geopolitical single-mindedness which ensured a regime of the maximum possible tranquility and peace for the population of the region, incidentally, for the next 200 years (until the advent of those who loved "to rectify injustice").

All of Russia's subsequent steps aimed at the discovery of its natural geopolitical borders were dictated by its aspiration to sovereign-state peacemaking. The closest confirmation of this is the history of the annexation to Russia of the Crimean peninsula. As of the 15th century the Crimean Khanate, the last fragment of the once mighty Golden Horde, having consolidated its position in Crimea and having become a vassal of the Turkish sultan, became a pirate's nest regularly sending out its hordes, which laid waste to everything around and reached the walls of Moscow in their raids.

Russian troops attempted repeatedly to put an end to this plunder, but their forces were insufficient, and the raids continued. Finally, in the course of the 1768-1774 Russo-Turkish War, in which Catherine II had been forced to act to secure the country's southern strategic borders, Crimea was taken by Potemkin's army. The center of aggression was suppressed, and long-awaited peace was established on the vast expanses of the Black Sea steppe, which lost, as a result of the Russian Empire's single-minded pursuit of its geopolitical interests, its border and "front-line" status.

A no less striking example of Russian peacemaking was its decisive contribution to the victory over Napoleon. From the viewpoint of the local European France-Britain opposition Napoleon, with his "continental system," was undoubtedly the main threat to the "nautical" geopolitical principle personified by Great Britain. Nonetheless, on the scale of the immense Eurasia this conflict was of a manifestly local, peripheral nature, whereas Bonaparte's attempts to conquer Russia, having disarticulated its giant expanses, contained a lethal threat to the entire geopolitical balance of the mainland.

It is interesting that even so decidedly an anti-Russian politician as Henry Kissinger was recently forced to acknowledge in the INTERNATIONAL HERALD TRIBUNE that "the tsarist and Soviet empires twice saved the European countries' independence inasmuch as without their contribution Napoleon and Hitler would have gained the ascendancy." A compliment from a highly dubious source, of course, but nonetheless....

Following the victory over Bonaparte, it was thanks to the efforts of Alexander I (with the active role of the Austrian

Chancellor Metternich) that the Holy Alliance of continental states of Europe—Russia, Prussia, and Austria-Hungary—which was one further attempt to establish stability and security in the European part of the continent—was concluded. The persevering attempts—completed by Nicholas I—to secure Russian control over the strategically important region of the Caucasus lay in this same direction.

The Caucasus War of 1817-1864, which ended with the annexation to Russia of Chechnya, Highland Dagestan, and the Northwest Caucasus, was not at all (like other Russian wars also) an act of conquest or aggression. Following the voluntary incorporation as part of Russia of the Kingdom of Georgia (1801-1810) and Azerbaijan (1803-1813), the Northwest Caucasus had become a springboard for Turkish and Iranian expansion in the region engendering endless military conflicts and bringing devastation to entire provinces, and grief and death to hundreds of thousands of peaceful inhabitants.

This state of affairs was actively supported by Britain, for which the strengthening of the continental power of Russia contained a great threat. The results of the annexation of the Caucasus may be judged if only by the fact that the endless bloody wars that had been lacerating this region almost continuously from century to century came to an end for a long time under the Russian scepter. And now in our post-perestroika times, when the defenders of the fatherland are abandoning the "independent states," blood is being shed in Chechnya and Ingushetia, Ossetia, Abkhazia, Georgia, Armenia, and Azerbaijan! Does history never teach us anything?

Generally speaking, the leading politicians of Russia understood full well that the empire's Eurasian interests could not be secured exclusively by military power and always put the emphasis on peaceful influence in regions where its vital interests were concentrated. This, incidentally, makes for the unique multinational nature of Russia, which has for many centuries accepted as brothers all the peoples that have reunited with it.

It seemed that this growing continental might of Russia had become eternal and invincible. Nonetheless, the evidence to the contrary, the 20th century has been for our country a period of devastating social cataclysms, bloody wars, and geopolitical catastrophes.

In order to understand why this became possible it is essential to address the spiritual and world-outlook processes that determined the inner strength of the Russian State.

#### **Zyuganov on Russian Geopolitics—Part 2**

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[Second installment of two-part article by Gennadiy Zyuganov under the heading "Essay in Russian Geopolitics": "Exploit of Rus"]

[Text]

#### **'Heavenly' Soul**

Geopolitics suggests how to maintain in a healthy and viable state the sovereign body of the country and how to

harmonize and bring into line with objective requirements the external sphere of the vital activity of a great people. But there inevitably remains outside of the framework of this approach the immense and fundamentally important inner sphere of spiritual, cultural, and religious-moral national existence.

**For Russia, though, this sphere has traditionally performed an outstanding, if not to say determining, role. The thousand years of our history unambiguously confirm that we are an idealist-people, a dreamer-people, an ascetic-people frequently guided in our practical activity not by the arguments or reason and considerations of advantage or sober calculation but by sincere urges of incredible force. It is they that at times elevate Russia to the pinnacles of almost unattainable selflessness, sacrifice, heroism, and sanctity, it is they, on the other hand, that cast it at times into the abyss of nihilism and moral decline.**

For many centuries the zealous custodian of national ideals and shrines was the Russian Orthodox Church. It carefully made sure that the boundless breadth of the Russian nature engender holy ascetics and sovereign builders sooner and more often than brilliant adventurers and insatiable power-seekers.

The very emergence of stable Russian statehood is connected with a spiritual phenomenon—the baptism of Rus in 988. Having already been in existence for roughly 150 years by this time, the union of East Slav tribes, which had withstood the difficult struggle against the khanate of Khazaria, represented nonetheless a formation that was diffuse and infirm and threatened by the minute to fall apart under the pressure of intertribal contradictions and localistic tribal interests. And only the adoption of Christianity, which united the freedom-loving Polyane, Drevlyane, Krivichi, Vyatichi, Radimichi, and others by a strong philosophical union of common religious ideals, stabilized its state form, initiating also the start of the formation of that unique ethnopolitical and spiritual-ideological community that is known to the world as the “Russian people.”

Since this time each in the least bit significant period of our history has inevitably coincided with stages of the spiritual formation of Russia. The people's memory has carefully preserved the visible symbols of this coincidence—the figures of all-Russian spiritual mentors such as Sergiy Radonezhskiy or Nil Sorskiy and sovereign Russian leaders like the lord-and-master princes Aleksandr Nevskiy and Dmitriy Donskoy. Saviors of the fatherland Minin and Pozharskiy, the legendary Suvorov and the “White General” Skobelev, Marshal Zhukov, and the present state-absolutist patriots, unreconciled to national disgrace and the humiliation of the Russian State, to an equal extent—whether they were aware of this or not—professed one and the same geopolitical principles, whose ideological, spiritual, and religious content were the ancient prophecies of the Monk Filofey.

Russia came by this continuity, however, at a high, immensely high price. Beginning in the 18th century, which had been marked by Peter's drastic, “shock” reforms, small cracks began to appear in the state-philosophical monolith of Russia. The point is that the “Russian idea” in its classical form does not recognize state power as being of self-sufficing significance, defining as its

**purpose merely the creation of the optimum conditions for the achievement of justice and the moral ideals of personal, family, and social justice. The entire ideology of the “symphony of powers”—spiritual, moral-religious and state, and secular—is based on this fundamental assertion. But it was this “symphonic” principle that was disrupted by Peter, who unambiguously made paramount the imperial, majestic might of the country as the highest priority.**

The two centuries that followed were a period of continuous growth of the state might of Russia. But simultaneously with this the internal contradictions in society, the spiritual state of which ceased to be a paramount concern of the state, became increasingly profound. A severe crisis of Russian national self-awareness was the inevitable consequence. As a result, when the discrepancy between the external sovereign greatness of the enormous country and its internal ideological state passed the critical level, Russia fell under the burden of its own contradictions.

### **End of Empire, Take Two**

It seemed that the storm and calamities of revolution had become an irreparable geopolitical catastrophe for the state that had taken shape. Russia's continental nucleus became disarticulated (the Far East Republic and the newly formed states of Ukraine, Crimea, the Transcaucasus Republic, and the Baltic countries, isolated from vitally important coastal zones). The spiritual continuity of Russian life was brutally and abruptly severed.

Nonetheless, the centuries-old sovereign-state inertia was able to overcome the pathogenic energy of disintegration. In spite of everything—the ideological Russophobia of the radical party wing, the temptations of “world revolution,” and the class antagonisms that raged in the fire of the civil war—the country restored its natural geopolitical shape incredibly quickly. The people paid a fearful price for this, shouldering the horror of punitive measures and starvation, devastation, the all-hands-to-the-pump work at the industrial construction sites, and the burdens of forced collectivization. But they believed in the ideals of justice and human brotherhood. By their heroic efforts the state rose again from the dead, in spite of everything, before the eyes of an astonished world, rising up like a phoenix from the ashes.

**The main strategic problem for the long-term survival of Russia arrayed in the new state body of the Soviet Union was that of the discovery of a constructive world outlook and the restoration of the spiritual life of the nation. It was in this sphere that things were most difficult: The totalitarian trends of state power had acquired an ugly, exaggerated form, having become deadened in ideological tenets ruthlessly suppressing the least spark of free, inquiring thought. This situation, however, began to change rapidly in the years of the Great Patriotic War, which became the pivotal moment of the Soviet period of Russian history.**

Without getting into assessments of the personality of Stalin, it has to be acknowledged that he more than anyone else understood the need for philosophical renewal within the framework of the geopolitical form of the USSR. He also understood the urgent need for the harmonization of the new realities with age-old Russian tradition. The result of this understanding was the abrupt change in the official ideology of the Soviet Union in the period 1944-1953.



The basis of the new policy was the aspiration to create an effective "ideology of patriotism" corresponding to the demands of contemporaneity which could be a dependable philosophical basis for the functioning of the state mechanisms of the enormous Soviet state and its allies. Many pages of authentic Russian history were restored and all persecution of the church was emphatically terminated as the first order of business to this end.

The USSR won the most dreadful and bloody war in the history of mankind. Fully in accordance with its interests, it expanded to the utmost the zones of influence in the sea and oceanic directions, blocking henceforward any attempt at direct threats to the borders of the state. The postwar devastation was overcome and an autonomous, self-sufficient economic system capable, given the competent domestic use of the country's colossal natural wealth, of providing for the steady growth of national well-being was created in record time. Were its pace to have continued, the "ideological restructuring" left no doubt that within 10-15 years the USSR would have fully overcome the negative spiritual consequences of the revolutionary storms, having developed their constructive results to the maximum here. The creation of native nuclear weapons ruled out all possibilities of power interference in our internal affairs.

Such prospects evoked in the West—the traditional citadel of "oceanic geopolitical strategy"—a state close to panic. There were reasons for this. A most powerful alternative center of world influence personifying justice and the power of the people and the social, political, cultural, and economic principles of the "continental" line of development of human civilization was taking shape in the person of the USSR—the continuer of the Russian geopolitical tradition. The centuries-old efforts of the commercial and financial cosmopolitan elite to create a "world system of the international division of labor"—the economic basis for the subsequent political standardization of mankind within the framework of a "new world order"—were in jeopardy.

This dramatic global encounter of the two archetypes of world politics, economics, and culture was personified in the opposition of the two superpowers—the United States and the USSR—which acquired the forms of the cold war.

The anticommunist rhetoric of the "free world" and its hypocritical concern for "human rights" here were the ideological screen behind which the invariable age-old geopolitical interests of the West demanding the weakening and, if possible, the destruction of Russia were concealed from the gaze of the uninitiated. This hypocrisy has become particularly obvious now, when the unconcealed flouting of the rights of millions of Russians and Russian speakers, who in the new ethnocratic states of the CIS have found themselves in the position of second-class citizens, not only is not evoking condemnation but is being tacitly welcomed by the "civilized world."

From the moment of the start of the cold war, when the secret mechanisms for the destruction of the Union were engaged, through the final act of the drama in 1991, three stages—three consecutive periods of the development of the geopolitical sabotage against the USSR—may, conditionally, be distinguished.

The first began immediately following the death of Stalin and was conducted beneath the slogans of "de-Stalinization" and "Khrushchev's 'thaw.'" History does not know the subjunctive mood, alas: The some 57 years of life were not enough for Stalin to have made his "ideological restructuring" irreversible and to have ensured the restoration of the Russian spiritual-state tradition, which had been unjustifiably interrupted. The leader's body was not cold in the Mausoleum before his successors were abruptly turning back the ideological course. The "entire civilized world" clamorously welcomed this maneuver, maintaining a modest silence about the labors it had cost its politicians, diplomats, special services, and "agents of influence."

The era of "stagnation" naturally continued this pernicious process. Dogmatic teachings that were patently out of date were preserved by the efforts of many of the present "outstanding" democrats who were at that time implacable conformist types. The absence of a healthy philosophical base was echoed in painful confusion in the sphere of Soviet geopolitics also.

On the one hand geopolitically substantiated attempts to expand the zone of Soviet influence in the strategic continental directions—in Afghanistan, for example—assumed a categorically impermissible radical-militarist nature. On the other, measures like the attempt to "install" Nicaragua in the "world socialist system," which were utterly pointless from the geopolitical viewpoint, swallowed up giant forces and resources. Deprived of an adjusted geopolitical concept, the USSR succumbed to the temptation of a "symmetrical," "socialist" mondialist response to the strategic challenge of capitalist mondialism on the part of the United States.

Year after year this insupportable burden exhausted our powers. Year after year we strained the resource and industrial and military and demographic potential of the country in the chase after mirages of global world leadership entirely alien to the very spirit of the Russian geopolitical tradition. The result was soon reflected: The economic situation within the USSR began to deteriorate consistently, and the ideological, religious, and cultural vacuum created unprecedentedly favorable conditions for the infiltration in society of alien values, destructive philosophies, and egotistically parasitical stereotypes of social consciousness.

Such was the general situation when the "generational change" in the highest Kremlin echelons enabled Russia's enemies to embark on the second stage of the dismantling of the USSR—the creation of the ideological base for its collapse. Its chronological framework encompasses 1985-1990—the bulk of Gorbachev's "perestroika."

I have in previous articles dwelt in sufficient detail on the specific mechanisms of the "slow-moving catastrophe" that ensured the destruction of the USSR, so to avoid repeating myself I would note merely that the main areas of the ideological war against the Union were the avowed Russophobia of the denationalized part of society, the incitement of antipatriotic hysteria cleverly linked "in a package" with furious anticommunism, and the deafening, importunate propaganda of the "charms" of the liberal-democratic philosophy.

The third, culminating stage of the global geopolitical sabotage took just two years (1990-1991) and was aimed at political assurance of the disintegration of the single Union state. In the domestic political sphere it was characterized as a "struggle against reactionaries" in the directive machinery of the party and government, an abrupt outburst of outlying-area nationalism and regional separatism, the paralysis of the central authorities, and use of the "democratic" Russian leadership as a battering ram to destroy the general economic, legal, political, and cultural space of the country.

Today, with the passage of two and a half years filled with dramatic events that have been the natural consequences of the collapse of the USSR, it may be maintained with confidence that the backstage sponsors of this operation were, for all that, unable to achieve all their strategic goals.

And the plan was this: By way of speeding economic and political changes within the Soviet Union and the broad-based, single-minded ideological indoctrination of the populace in a "democratic" spirit, to cause in the disoriented society a loss of natural immunity connected with intuitive healthy conservatism and the self-preservation instinct. Having suppressed the protective mechanisms of social self-awareness, to ensure the collapse of the unified state against the background of the buffoonish Emergency Committee "putsch." On the wave of this powerful state-ideological cataclysm accompanied by the most powerful shock to the mass consciousness to occupy the key positions in all the leading spheres of social life. To ensure the maximum possible degree of Russia's economic, political, and military dependence on foreign (Western) influence. And, most important, having availed themselves of this, to trigger on a par with the ongoing chaos, economic crisis, and shocked state of society the mechanisms of internal Russian disintegration, taking as a basis the separatism of the national outlying areas, regional contradictions, and the fratricidal struggle of Moscow's political clans.

The "architects of perestroika" evidently had in mind a broader timeframe for the realization of their far-reaching operation. The studies of social psychologists and practical experience show that the "period of shock" of the mass consciousness which is caused by sudden social upheavals and which "switches off" the mechanisms of social self-protection cannot be long. In the case of Russia-USSR the engineers of the collapse could have counted on four or five years, no more.

Taking as the initial reference point of the shock processes on the territory of the USSR the year of 1989, when "perestroika" had entered its "revolutionary" phase, we see that this timeframe is today at an end. Here are the true reasons for the "surprise" results of the recent elections, this is the cause of the growth of the "neoimperial" mood in society!

"The sleep of reason gives birth to monsters," the sharp and shrewd Goya once said. Today the collective reason of our people is beginning slowly and with difficulty to awake following many years of an arduous and tormented half-conscious state.

#### Choice of Destiny

The charges against Russia of a "revival of Great-Russian chauvinism" and the "pursuit of an imperial policy,"

which have become fashionable as of late, reflect the increased agitation of the world's backstage players aware that the entire global decades-long anti-Russia and anti-Russian intrigues are now on the verge of being thwarted. For it is obvious that, having regained consciousness from the long semi-comatose state, having recognized their true national-state interests, and reviving on the basis of millennial historical traditional values, Russia will not accept the humiliating role being imposed on it and will restore its natural position of great world power.

So:

Today, as in past centuries, the vital interests of Russia consist by no means of "subduing," "conquering," or "subjugating" anyone. Not of endlessly expanding its territory, which is the most vast in the world as it is. Not of straining the people's efforts in vain attempts to impose on someone or other its own view of the world as the "sole correct" and uncontested view.

They consist primarily of gathering on its land, under its own roof, under the protection of a single powerful state, all Russian people, all who consider Russia their motherland, all the peoples that agree to link their historical destiny with it. And Moscow does not have the right to abandon this traditional role of "gatherer of the lands"—and will not do so, however much some people would like to "hound the Russian bear in his den."

Further, our vital interests consist of ensuring in our own home unconditional and lasting peace guaranteed against all encroachments from outside and from within, the corresponding foreign policy conditions having been created for this. Of protecting our historical individuality and distinctive spirituality against the aggression of alien, perverted stereotypes of mass consciousness and against the noxious influence of immorality elevated to a norm of life and individualistic egotism extolled as a virtue. In order to create for our fellow citizens all the necessary conditions for education and health care, labor, and recreation, the development of science and culture, and a happy childhood and serene old age.

Russia is today experiencing a unique moment in his existence. We have in the past century acquired invaluable experience, by which we have come at an exorbitant, irreplaceable, excruciating price. Are we unable to take advantage of it; to consider the tragic lessons of the past, multiply the heroic traditions of national history, and from the height of the present dolorous days finally overcome the internal disagreements, having restored the successive and consistent current of our life?

Today, for the first time in three centuries, we have a real opportunity to restore the symphonic unity of our spiritual and state traditions. We are now all too well aware of how heavy the yoke of aspiritual statehood can be, and sense all too well what a fearful moral price would have to be paid for the loss of the ideals that could impart to our conciliary, national, social being sacred, eternal, and nontransient meaning....

But in order to realize all our actual potential we must learn to take a sober view of things, without illusions or embellishment. This means first and foremost that we must recognize that far from everyone in the world around us will

be happy that Great Russia is reviving. Life's realities are such that the age-old struggle of the two rival geopolitical principles will not end merely because Russia's democrats have suddenly become smitten with a tender love for the Western way of life. And this being the case, let us recall, nonetheless, that:

the state exponent and most complete spokesman for the competing geopolitical model is the United States of America superpower with its strategic allies constituting altogether the geopolitical bloc that we are accustomed to designating by the term the "West";

the economic exponent and industrial pillar of this model is the commercial and financial cosmopolitan oligarchy straining after world domination and constituting the main driving force of the contemporary mondialist plan of the "new world order";

its philosophical exponent is liberal-democratic ideology, whose basic features are extreme individualism, militant aspi-rationality, religious indifference, a devotion to mass culture, antitraditionalism, and the principle of the domination of the quantitative over the qualitative principle....

There are, unfortunately, exponents of this geopolitical principle within Russia also. A fifth column of politicians and public figures and parties and organizations of a "pro-West" persuasion united by a commitment to the "wild" market and the unchecked "integration of Russia in a single world community" and the unconditional priority of "values common to all mankind" are appearing primarily in this unattractive role.

Let us say at once that the affirmation of these facts is under no circumstances a call for confrontation and enmity. On the contrary, a clear understanding of the situation only increases the chances of a reasonable compromise and mutually beneficial cooperation.

I would like in conclusion to emphasize once again the thought that serves as the leitmotiv of the entire article: We are today faced with a choice that will determine Russia's fate for a long time to come. A choice that we should be helped to make by our entire age-old history, our entire tragic and heroic experience, and by all our incalculable and nameless compatriots who from age to age created the great state and defended it against encroachments and adversities.

We simply do not have the right to make a mistake in this choice!

## REGIONAL AFFAIRS

### Federation Republic Leaders Profiled

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[Article by Vitaliy Portnikov under the rubric "Concepts and People": "The Faces of Power or the Power of Faces in Russia: Outlines of the Political Portraits of Leaders of the Russian Republics"]

[Text] When in 1991 I completed my article "The Faces of Power or the Power of Faces?" dedicated to then members of the USSR Council of the Federation, I had occasion to devote a small section, "Aspiring Figures," to leaders of

the former Russian autonomies. Three years have gone by and the "aspiring figures" have turned into real, active politicians, often quite well known, who are actively influencing the situation in the Russian Federation. And so these new observations are devoted to them—more or less an expanded version of my previous section, but written in recent times when it is not so much the component parts of the Russian Federation that are desirous of sovereignty as much as Russia itself.

### AUSHEV

The very appearance of the president of Ingushetia on Russia's political scene is akin to the emergence of his native republic. Ingushetia has emerged, one might say, under extreme conditions, following the proclamation of independence of the Chechen Republic and the actual collapse of a united entity that existed for many years—the Checheno-Ingush Republic, in which the Ingush people occupied far from a dominating position. Likely hoping for a return to the status quo, the federal authorities were in no hurry to recognize the new republic and contribute towards the structuring of its organs of power. In the meantime, a territorial question lay at the center of Ingushetia's political life—the fate of Prigorodnyy Rayon, which found itself part of neighboring North Ossetia after the deportation of the Ingush people. Nazran associated the return of the territory in dispute with Moscow, a factor that was not least important in leading to tragedy and an almost complete loss of trust in the federal center and in Boris Yeltsin. Then we see emerging in this catastrophic situation in Nazran—General Ruslan Aushev, a veteran of the war in Afghanistan and former Union people's deputy, appointed head of the provisional administration in Ingushetia. Indeed, the situation that had taken shape as of that moment in the republic demanded a leader of precisely such "generalship." But Aushev also showed himself to be a quick-witted politician. Resigning from the position of head of administration, he distanced himself from the center, which had lost its prestige, and was viewed in the presidential elections as the undisputed national leader. But this prestige has not diminished Ruslan Aushev's difficulties. After all, he must construct virtually brick by brick the power of a republic that until quite recently did not exist, a republic with undetermined borders and a chaotic political life. And he must do all this under conditions of a state of emergency and unsettled conflict with Ossetia... At the same time, Ruslan Aushev is managing to preserve a certain loyalty from afar in his relations with President Boris Yeltsin and the federal leadership. One example of this diplomacy of the Ingushetian president is Boris Yeltsin's recent Caucasus trip and Ruslan Aushev's handshakes with North Ossetian President Akhsarbek Galazov.

### BIRYUKOV

Nikolay Biryukov, chairman of Mordvinia's Supreme Soviet, has managed to show quite convincingly that it is he who is the real "boss" in the republic. Losing the presidential election in December 1991 to the Democratic Russia nominee—engineer Vasily Guslyannikov, the Supreme Soviet chairman did not content himself with the role of "second fiddle." In confrontation with President Guslyannikov, Nikolay Biryukov, an experienced party functionary who attained the position of secretary of the



Mordvinian party obkom [oblast committee], has successfully taken advantage of the mistakes of the young administration and Guslyannikov's lack of understanding of the processes of sovereignization in the Russian republics. The Mordvinian president—of Russian nationality in addition, has become an active ally of Moscow (and just about the only one) in the struggle against the apparition of separatism. Perhaps it is precisely the Mordvinian president's lack of a stance in favor of independence that proved the decisive factor in the decision of the republic Supreme Soviet to eliminate the position of president in April of last year and elect a new government headed by Valeriy Shvetsov. Authority and the initiative were returned to Nikolay Biryukov. Despite the support the central authority attempted to render Vasilii Guslyannikov, the duality of power was not long preserved. The Kremlin's gestures could be perceived as lack of respect for the decisions of the republic parliament, and the constitutional courts of Russia and Mordvinia confirmed the legality of the Supreme Soviet resolutions. Following the October events, President Yeltsin appointed his own representative to Mordvinia. Nonetheless, even under conditions of the triumph of the central authority, Nikolay Biryukov's enemies failed to collect the necessary number of votes to remove him from the post of Supreme Soviet chairman. In addition, results of the Russian parliamentary elections in Mordvinia registered a change in the mood of the electorate: New Prime Minister Shvetsov and two members of the Communist Party became deputies. And so, nothing now stands in the way of Nikolay Biryukov—having shown what republic independence means in practice—from joining with the group of republic leaders most supportive of the concept of sovereignty.

### GALAZOV

Recently elected the president of North Ossetia, Akhsarbek Galazov is one of the best well known leaders of the Caucasus. This is due both to the geopolitical role of his little republic, which finds itself in the middle of two intricate territorial conflicts (Georgian-South Ossetian and North Ossetian-Ingushetian), and to his own personal capabilities, as became clear during the course of the presidential election campaign. Indeed, the recent Supreme Soviet chairman has easily managed to show that he is the number one leader in the republic: Aleksandr Dzasokhov, one of the strongest aspirants to the office of president, former member of the Politburo of the CPSU Central Committee and first secretary of the North Ossetian party obkom, withdrew his own candidacy, and Viktor Khetagurov, chairman of the Council of Ministers of North Ossetia, was defeated and forced to resign the post of prime minister. Two experienced party and economic leaders fell by the wayside before the former rector of North Ossetian University, who served in the educational system almost his entire life—a situation atypical overall of the republic elite. But over the four years of his stay at the head of North Ossetia, Galazov has been able to become not simply its leader, but a symbol of the republic's rigid position in the territorial conflicts as well. Appearing on the post-USSR political scene alongside Torez Kulumbegov, chairman of the Supreme Soviet of South Ossetia, Galazov never concealed the support his republic has been showing its warring brother on the other side of the border, and the parliament of North Ossetia has

even recognized the former Georgian autonomy as an independent state. Akhsarbek Galazov adopted an even more irreconcilable position during the Ossetia-Ingushetia conflict. But it should be noted for the sake of fairness that in both cases the interests of Vladikavkaz coincided in part with those of Moscow, which in no way objected to the weakening of Zviad Gamsakhurdia's Georgia and strove to preserve the status quo in Russia's North Caucasus—violated by Ingushetian territorial claims. Is this not wherein lies the secret of Galazov's increased political influence upon the Moscow leadership and Boris Yeltsin's standing in North Ossetia? But now, having been elected president, Galazov faces a choice: either continue to advance the hard line advocated in fact by the voters or, leaning on the prestige he has already won, try to settle the conflict with Ingushetia and pull the republic out of the "front-line" state it has been in for several years now.

### DZHARIMOV

Adygea is the only one of the former autonomous oblasts transformed into republics to decide on introduction of the presidential form of government. Just the fact that Adygeys comprise slightly under one-fourth of the population of the republic testifies as to the complexity of the tasks to be accomplished by Aslan Dzhарimov in this office. The separation of Adygea was received with a certain nervousness by the leadership of Krasnodar Kray, which used to include the autonomous oblast. Therefore, Dzhарimov's role in alleviating the situation that has come about can be compared with the stabilizing role of the leaders of the new independent states who graduated from the Moscow political school (the Adygea president served many years in leading positions in the kray center, and his informal relations with Krasnodar leaders without any doubt helped in Adygea's "informal" withdrawal from Krasnodar Kray): In addition to concluding an agreement with the former "mini-mother country," the republic government introduced the special position of chairman [as published] at the head of administration of Krasnodar Kray, with the rank of minister.

President Dzhарimov became well known to broad segments of society after his sudden incursion into Caucasian geopolitics. In the heat of the Georgia-Abkhazia conflict, the Adygey leader offered intermediary proposals. Like other leaders of Russia's Caucasian republics, however, the president of Adygea turned out all the same to be a resolute supporter of the Abkhaz side. This is explained not only by the ethnic proximity of Abkhazians and Adygeys and the natural sympathy Maykop has for the Sukhumi leadership—holding analogous status, albeit within another of the former Union republics, but also by the influence in Adygea of the Confederation of Peoples of the Caucasus, even though such influence is far more limited here than in neighboring Caucasian republics. Despite support for the concept of Adygey national rebirth (specifically, the republic leadership has assisted the Worldwide Cherkess Association, one of whose congresses was convened in Maykop), Aslan Dzhарimov is compelled to proceed with special caution so as to avoid encroachment of any kind upon the Russian community (although Maykop is constantly accused of this by certain political circles in Krasnodar) while simultaneously ensuring the power potential of the "titular" people. Adygea's recent election of a new

parliament demonstrated the great complexity of this task. Nonetheless, the republic remains one of the calmest regions of the Caucasus.

#### DUDAYEV

The Chechen president immediately stands out within the overall list of leaders of the Russian republics in that he does not consider his republic to be a part of the Russian Federation. Thus, for long time now Chechnya has been existing in a situation that has no analog in international law (or in the practice of federative or confederative relations): Considering itself an independent state, the republic appears in the constitution of "a neighboring state" as a Federation entity. All the same, the Moscow authorities, for example, equate Chechens with foreigners, obliged to undergo registration when they arrive in the capital. This inconvenience can also be seen as a triumph for Dzhokhar Dudayev—one more in-fact recognition of Chechen independence, and as an admission that the federal authorities finally have to concur with the separation of the Chechen-Ingush Republic, accomplished "from below"—in Grozny, and not "from above"—in Moscow. As well as the fact that there is an ever dwindling number of politicians in the general-president's entourage interested in finding any real compromise with the center—as if in response to Boris Yeltsin's recent speech in the Caucasus in which the Russian president termed Chechnya the main factor of instability in the region, once again ruling out any possibility of reaching some kind of agreement with Grozny.

It is possible that the secret of Dudayev's political survivability also lies in the fact that his mannerisms are often strikingly similar to Yeltsin's. The striving to achieve a presidential republic, to concentrate all real power in the hands of the presidential administration, easy parting with those who were recently the closest comrades-in-arms and now the source of irreconcilable conflict, the ability to collect oneself brilliantly in an extreme situation but perform illogical actions in "days of peace"—all these parallels are familiar to observers in both Grozny and Moscow. And indeed, Dudayev became the leader of Chechnya during the violent dissolution of the Supreme Soviet of the Chechen-Ingush Republic following the August putsch, while it was precisely following the August events that Yeltsin grew into a true state leader. Yeltsin's struggle with the party machine assisted in his formation as a political figure. The Dudayev phenomenon was supported not only by the trend toward sovereignization of Chechnya which was gathering force, but also by the sincere desire of the victors of August in the Russian leadership to get rid of "disobedient" republic leaders. A campaign of propaganda was launched against an entire series of leaders (both Union and republic leaders). Only the Zavgayev regime in Grozny fell, however, and Dudayev's appearance became a fitting illustration of the results of this campaign. Moscow's continued struggle with the Dudayev regime just about led to a tragic result and facilitated the formation of the Chechen president as a charismatic personality with no other alternative. It is likely that under any other conditions the authoritarianism of Dudayev would elicit rejection of the leader and even cause his replacement, but in the extreme situation, the general's opponents simply have nothing with which to

oppose him. Especially since not a single one of them is opposing the concept itself of independence, and General Dudayev is seen as the symbol of this concept. It is this "symbolic" aspect and a special economic and political freedom that allow the president of Chechnya to be a geopolitical figure of the Caucasus as well (we need only recall the congress of the Confederation of Peoples of the Caucasus in Grozny, or Zviad Gamsakhurdia's long stay in the Chechen capital).

All the same, however, it would be difficult to call Dzhokhar Dudayev's position stable, even if he succeeds in resolving his internal problems. The positions of Russia and Chechnya relative to one another are such that, sooner or later, they will have to embark upon some path of compromise. Having already managed to become the symbol of an unwavering, principled position, the general will hardly be capable of being the bearer of such compromise.

#### ZOTIN

The president of the Republic of Mari El is one of the "calmest" of the Volga leaders. Actively communicating with the leaders of neighboring Tatarstan, Bashkortostan, and Udmurtia—well known as leaders of "the opposition" among the republics, Valeriy Zotin nonetheless has maintained decent relations with the federal authority. It is clearly no accident that President Boris Yeltsin began his series of postelection meetings with leaders of the Russian republics by conferring with the presidents of Tatarstan and Mari El. Zotin's position in this regard was brought about by the political and economic situation in Mari El, where the mood in favor of sovereignization is finding less support than in the other Volga republics, due to a lesser concentration of indigenous population and Yoshkar-Ola's economic dependence on grants from Moscow—the republic cannot boast about stores of energy resources in the manner which gives Kazan and Ufa the opportunity to claim special rights. Thus, Mari El is trying to use the sovereignization achievements of its neighbors primarily in a symbolic way. Supreme Soviet Chairman Valeriy Zotin was one of the first in the Russian republics in this position to be elected president of the republic. Zotin was also sufficiently careful during the constitutional crises, when many other republic leaders hastened to announce their sympathies and antipathies. But such caution is easily explainable by Valeriy Zotin's previous activity, having spent many years in secondary roles in the Komsomol and party apparatus. The flow of power from the party to the soviets made him the head of the republic—it did not take away the circumspectness he had acquired.

#### ILYUMZHINOV

Kirsan Ilyumzhinov is perhaps the most extravagant leader among the republic presidents. Just the simple fact of election of the 30-year-old businessman as head of Kalmykia demonstrates the arrival of a new political era in the Russian Federation, when representatives of groups not traditionally found in the "corridors of power" are capable of taking advantage of relatively free, multi-candidate elections (the success of Vladimir Zhirinovskiy's party in the election to the Russian State Duma simply confirms this hypothesis). Like Zhirinovskiy, Ilyumzhinov is to a certain extent a puzzling figure. The seeming



"simplicity" of his biography in no way explains the emergence of the Ilyumzhinov phenomenon—neither in business nor in politics. Ilyumzhinov's preelection promises constitute a classic example of a populist program—unrealizable if only because of its grandiose nature and always victorious for the same reasons, and his political activity following the election has been an odd mixture of establishment of an authoritarian regime in his own republic with support for soviet parliamentarianism on the federal level. Ilyumzhinov dissolves the Supreme Soviet of Kalmykia, eliminates the multiparty system and the republic Ministry of Security at the same time, suspends the federal program of privatization in Kalmykia... Having previously told journalists that Yeltsin agreed to view the republic as a "political testing ground" at a meeting with him, the president of Kalmykia then—during the days of October—turns out to be the most energetic supporter of the Congress eliminated by the Russian president. It is through his efforts that the "alternative Council of the Federation," of opposition regional leaders, is being instituted. It is Ilyumzhinov who issued statements most critical of Boris Yeltsin—including in the blockaded White House, and who called Yeltsin "the former president." Nonetheless this position held by Kirsan Ilyumzhinov has not swayed his standing in Kalmykia, judging from the results of the election to the upper chamber of Russia's Federal Assembly. Moscow has not yet developed effective mechanisms for toppling republic leaders who are objectionable to the center. Subject to far more heated debate than President Ilyumzhinov's current standing is the problem of the real results of his economic policy—capable either of bringing about a change of authority in the republic or of making the Kalmyk leader far more loyal in his relations with the center.

#### KOKOV

The president of Kabardino-Balkaria must be referred to as a leader who has proven both his independence from Moscow and his ties with the center—which are even stronger than those of most of his republic president colleagues. Displaced from his position as chairman of the Supreme Soviet of the Republic of Kabardino-Balkaria following the August (1991) events, Valeriy Kokov nonetheless easily reacquired power in just a few months, sustaining victory in the presidential election. Kokov's solid position within the power elite is entirely expected and stems from his previous party career, terminating in the position of first secretary of the CPSU republic committee. The president's position and prestige among leaders of the new national movements are far less solid. Valeriy Kokov had to play the role of arbiter, fighting for the concept of a united Kabardino-Balkaria to counter supporters of a Republic of Kabarda and Republic of Balkaria. He has hardly been able to successfully manage this role, however. In any event, a mass meeting of the Congress of the Kabardin People in the autumn of 1992 almost ended in the president's resignation. It was only energetic support from Moscow (which probably learned a lesson as a result of the overthrow of Doku Zavgayev, chairman of the Supreme Soviet of the Chechen-Ingush Republic, and did not desire to repeat the Grozny scenario in Nalchik) that helped Valeriy Kokov retain his position. To complete the picture one must recall that one of the main opponents of the president during those days

was Yuriy Kalmykov—then president of the Congress of the Kabardin People and now federal minister of justice.

The unstable position of the president of the Republic of Kabardino-Balkaria is probably related to a lesser degree to personality, and to a greater degree to the very vulnerability of the institution of head of a "dual" republic. After the collapse of Checheno-Ingushetia, there remained just two such explosive formations in Russia, and flashes of instability in the Republic of Kabardino-Balkaria have shown how complicated the republic's future can be if national elites reach agreement with one another, while the "party in power"—no less interested than Moscow in the existence of a unified Kabardino-Balkaria—loses the ground on which it is standing.

#### MAGOMEDOV

Magomed-Ali Magomedov rules the most complex—by ethnic composition—republic in the Russian Federation. Dagestan is a country whose present borders were outlined just after 1917, a mountainous region on whose small flatlands clashed the interests of the Avar, Lak, Dargin, Kumyk, Lezgin, Nogay, and a great many other peoples, a land whose ethnic saturation and intermingling many times exceeds that of sadly renowned Bosnia. One cannot envy the leader of such a republic, especially since Magomedov seems to have found himself in the top position by accident. Since olden times Makhachkala has visibly observed the "Lebanese" principle of distribution of leadership positions. Magomedov, a Dargin, was appropriately appointed chairman of the Council of Ministers and was elected chairman of the Supreme Soviet of Dagestan, while the true head of the republic was the first secretary of the Dagestan party obkom, an Avar by nationality. However, the decay of party structures made Magomedov "the number one man in Dagestan" and simultaneously—a figure striving for caution and compromise even more than yesterday's republic leaders from the party obkom. The striving of the present leaders of Dagestan to "temporarily close down" sociopolitical processes, related to their understanding of the full danger of the interethnic conflicts in Dagestan and a desire to counter the ambitions of new national movements, constitutes conservatism at the very least. Magomedov has seemingly become the personification of this course in the republic, a republic that repudiated in referendum both the introduction of presidential rule and the possibility of private ownership of the land, as well as the symbol of a certain "permanent temporariness" of the present Dagestan leadership.

Makhachkala is also restrained in its relations with Moscow. Although President Yeltsin's standing in Dagestan is extremely low, Magomedov refrained from harsh criticism of the president even during the days of crisis, but at the same time did not participate in the work of the Council of Heads of Republics, where even the far more independent president of Tatarstan appeared. But—that is what Magomedov is all about.

#### NIKOLAYEV

The president of Yakutia is one of the most colorful political figures on the republic scene. He has succeeded in transforming himself into a leader on the federal level, attaining prestige among his colleagues, and simultaneously establishing decent contacts with the presidential



administration and with Boris Yeltsin. Even former Mordvinian President Vasily Guslyannikov, far more inclined to support the center, and one who declared his objection to republic sovereignty (as opposed to Mikhail Nikolayev), could not boast of one-tenth of such a relationship with the Russian leadership—the center “noticed” him following his overthrow.

The bond of such status held by the president of Yakutia is his resolute support of the Russian president during the crisis months. Mikhail Nikolayev was the only regional leader to participate in negotiations between the president and the parliament on Boris Yeltsin's behalf. And this was not simply support of a political position—it was primarily personal solidarity.

It is precisely for this reason that Yakutia's economic sovereignty is just about the most significant of all the Russian republics, even when considering republics with a “special position,” like Tatarstan and Bashkortostan, or even Chechnya. Mikhail Nikolayev was one of the first to sign a bilateral agreement with Moscow, leaving Yakutia a significant share of the profit from diamonds extracted in the republic. The Yakut leaders engage in energetic foreign economic activity in both the former Union republics and the “far abroad” (without evoking censure from the Russian Ministry of Foreign Affairs, incidentally). Even following the October events of last year, when Moscow's offensive against republic sovereignties began, the president of Yakutia succeeded in preserving what had been achieved, even in augmenting it. The Republic of Sakha became one of the few regions of Russia where elections to a new legislative organ were scheduled right after the Federation did so. But even during the time of the old Supreme Soviet, Mikhail Nikolayev managed to be the undisputed leader of his republic, especially since he acceded to power in the classic manner, substituting the presidential office for the post of first secretary of the party obkom. If this highly experienced politician continues to succeed in implementing in practice, without complications, the model he has found of exchanging political support for economic privileges, then diamond-rich Yakutia, in the absence of external crises or confrontations with the center, will find it much easier than other aspirants to sovereignty to effect transformation into a “state within a state,” enjoying a special role in federal affairs.

#### ООРЗНАК

The career of Sherig-ool Oorzhak, president of the Republic of Tuva, is somewhat unusual. Holding the post of prime minister, in August 1991 he lost the election to the position of chairman of the Supreme Soviet to Kaadyr-ool Bicheldei. Then just a few months later, Oorzhak was elected president and chairman of the Government of Tuva in an election in which the chairman of the parliament did not even run. But the president's first loss resulted in further developments of the political situation in the republic and altered mutual relations among the power elite. Stated more simply, a great deal began to be determined by the complex interaction between the president and Supreme Soviet chairman, quite dissimilar leaders. Oorzhak, a cadre party functionary who advanced through all the career stages of the Tuva Party obkom administration and apparatus, has exhibited an understandable loyalty to the federal executive authority and

was rather cautious in fighting for sovereignty of the republic (which prior to 1944 was an independent state, although in the sphere of influence of the Soviet Union). The chairman of the parliament, unexpectedly heading the republic following the August events and reputed prior to this to be more an oppositionist from the world of science, was able nonetheless to find a common language with the fairly conservative body of deputies and turned the Supreme Soviet into the major instrument of sentiment towards sovereignization. As a result, an article was secured in Tuva's new constitution on the prospect of its withdrawal from the Russian Federation. And so the republic president must take into account the sentiment in today's brand new parliament, the popularity and influence of its chairman—who kept his post, and the complete dependence to date of Tuva's economy on federal grants. At the same time, Tuva's monoethnicity—greater than that seen in many other Russian republics, its border location, and historical traditions enable the republic's leaders to continue a policy of sovereignization without aggravating relations with the Kremlin or forcing events.

#### ПОТАПОВ

The chairman of the Supreme Soviet of Buryatia twice had occasion to return himself to power in the republic. Leaving the post of first secretary of the Buryat CPSU Obkom, he worked for some time in Turkmenistan, but soon returned to Ulan-Ude to head what had become the republic party obkom, which was then swept away by the August 1991 events. However, in contrast to many other first secretaries who left politics or shifted to secondary roles, in just three months Leonid Potapov once again headed the republic, becoming the chairman of its parliament. These facts of Potapov's political biography alone illustrate fairly well the durability of his standing in the republic with the complex ethnic mix (additionally, Leonid Potapov himself is Russian), a republic burdened not only with trying to maintain a balance between the Russian majority and the indigenous population but also with potential territorial problems. As a result of all possible kinds of repartitionings, the Aga Buryat and Ust-Orda Buryat Autonomous Okrugs find themselves located outside the borders of Buryatia, in neighboring Siberian oblasts, an occurrence unprecedented even for the Russian Federation. Of course this has been influential in the development of the national movement in Buryatia and on mutual relations with its neighbors. For the time being, however, Leonid Potapov has managed to skirt around the sharp edges of these problems and has in fact established decent relations with the leaders of Tuva and Khakassia. Beginning the search for its own foreign policy channel, Ulaanbaatar is also watching Ulan-Ude with understandable interest. Thus, Leonid Potapov has potential for maneuver, although this has diminished somewhat in recent times due to a certain lack of understanding between the Supreme Soviet chairman and Buryatia Prime Minister Vladimir Saganov, a politician with less traditional views who actively supported Shakhray's Party of Russian Unity and Accord in the elections, and who additionally is Buryat in nationality. The upcoming election of president of the republic will constitute a new and fairly significant ordeal for the rule of Leonid Potapov. In this regard, the deep-rooted rivalry with Vladimir Saganov

may lead to the "Kalmyk" alternative—the departure of both Buryat leaders from the political arena.

#### **RAKHIMOV**

Recently elected president of Bashkortostan but for a long time head of the Supreme Soviet of the republic, Murtaza Rakhimov has been able to manifest himself as one of the most influential, while at the same time most refined regional leaders. Rakhimov's capabilities were fairly well demonstrated during the recent election. Voters turned out in sufficient numbers, rejected the draft Russian Constitution presented in referendum, elected the head of the republic parliament as president and as deputy to the Council of the Federation of Russia, and then in voting for deputies to the State Duma—left both Zhirinovskiy's party and Russia's Choice out in the cold, showing preference for the "more reliable" Agrarian Party and sympathizing with the regional problems of Shakhrai's party. In this manner, Murtaza Rakhimov has confirmed once again how great is his prestige in the republic and how unlimited is the potential in Bashkortostan's vertical chain of command. Moreover, Rakhimov is in no way a "hereditary" party leader of the former autonomy; he belongs to the next layer of the ruling elite—the industrialists. Confirmation of the Supreme Soviet chairman as undisputed number one man in the republic was a complicated process and ended in replacement of the Bashkir prime minister. In addition, the republic leadership has had to take into account the complex ethnic composition of Bashkortostan both in its internal politics and in its relations with the center. The Bashkirs themselves constitute a minority here, but taken together with the Tatars they surpass the entire remainder of the populace in number. This circumstance was probably not the least significant in influencing Ufa's choice of a kind of "soft version" of Tatarstan politics: On the one hand, Rakhimov affixed his signature to the Federation Treaty, and on the other—achieved the signing of a virtually simultaneous, closed, bilateral agreement with Moscow, giving significant powers to the republic leadership in the economic sphere and opening the way for an entire series of similar bilateral treaties between the center and other republics. Hardly anyone will deny that under the conditions the Russian republics presently find themselves in, genuine sovereignty comes down to the economy, and not ethnic considerations. Ufa perhaps came to understand this sooner than others.

Rakhimov's resolute rejection of the actions of the presidential team during the days of conflict between the legislative and executive powers influenced somewhat the solidity of his standing. At that time Bashkortostan undertook steps—unexpectedly rigid for this republic—with respect to legislative confirmation of its sovereignty, and a campaign of propaganda was unleashed against Rakhimov in the Moscow governmental mass media. But today perhaps this conflict is already a thing of the past. Rakhimov was elected president. He is one of the most influential deputies of the Council of the Federation and, like many representatives of the regional elite, is simply necessary to the Kremlin today.

#### **SPIRIDONOV**

The chairman of the Supreme Soviet of the Komi Republic has been maintaining a successful balance to date between

the center and a group of opposition republic leaders. Taking into account Komi's status in the Russian Federation, the degree to which republic elites exert pressure on the Kremlin may depend on the position of the Komi leader. In this regard, Yuriy Spiridonov may be compared with Yakutia President Mikhail Nikolayev—the Komi leader is devoting his main attention to economic prerogatives of the republic (especially since Komis do not make up a great part of the republic population; indeed, Yuriy Spiridonov himself is Russian). We can also make the comparison by career pattern. Spiridonov headed the Supreme Soviet of the Komi Republic after spending many years in the party, a career crowned by his election as first secretary of the Komi CPSU Obkom (which career also included the position of prison warden, showing that Spiridonov is no stranger to the realities of his region). In confrontation with Prime Minister Vyacheslav Khudyayev, Spiridonov has managed to date to sustain an impressive victory. The Council of Ministers chairman, Komi by nationality, has in practice supported an alternative draft constitution for the republic which enhances its sovereignization opportunities. Supreme Soviet deputies supported the "Spiridonov draft," however, and today the leader of the parliament has become a more substantive candidate for the highest position in Komi—that of universally elected head of the republic. Yuriy Spiridonov's expected success in the election only promises to solidify his status among his colleagues, who are somewhat bewildered by the Komi parliament's recent refusal to introduce the office of president of the republic. The adoption of the constitution shows, however, that Spiridonov has simply postponed major decisions until the post-October period, which will be more tranquil for him and marked by a strengthening of the republic elite.

#### **STEPANOV**

The chairman of the Supreme Soviet of Karelia is one of just a few regional political figures also well known on the federal level. He was among the most noticeable participants at the deputy Congress (even heading the faction Communists of Russia during the period of its greatest power), and was nominated as this faction's candidate to the position of chairman of the Russian Supreme Soviet as a counterweight to "democratic" nominee Ruslan Khasbulatov (although today it is easy to understand how much more moderate and pragmatic the Congress would have been had it shown preference to the "communist" alternative over the "democratic" one). He actively participated in the negotiations process with the president and was one of the initiators of the "crisis" council of regional leaders. A political flexibility he acquired over long years working in the apparatus helped Stepanov avoid turning into an odious figure and helped him retain his position despite opposition attacks after August 1991. It also helped him understand sooner than others the prospects for "cautious" sovereignization. For the Republic of Karelia, in which Russians constitute the overwhelming majority of the population, this sovereignization is exclusively economic in nature and can perhaps be viewed as the "key" to possible analogous processes in the oblasts and krais of Russia. This process is acquiring political overtones because of a certain estrangement between the republic and federal leadership, and because of the proximity to Finland. Economic ties with Finland should be shored up

by Karelia's special ethnographic image. Incidentally, Viktor Stepanov is Karelian in nationality and heads a parliament in which only a few Karelians are deputies. This is a problem in itself.

In recent times, due to an emerging conflict between parliament and the government that resolutely supported Boris Yeltsin in 1993, some observers cite a weakening of Stepanov's standing. Already he is not being perceived as the consolidator of the republic elite. Even if we surmise that Viktor Stepanov will be forced to leave Petrozavodsk, however, this would hardly signify an end to his political career. The Karelian leader has sufficiently strong ties and prestige both in Moscow and among his colleagues in the leadership positions of the Russian republics.

#### TUBYLOV

Chairman of the Udmurt Supreme Soviet Valentin Tubylov is one of the energetic members of the Volga group of leaders of the Russian republics gravitating most toward sovereignty. Although it must be immediately acknowledged that the economic prospects of Udmurtia, one of the most important ancestral lands of the military-industrial complex of the former Union (it is not by chance that its capital, Izhevsk, was at one time called "Ustinov" in honor of the famous "patriarch" of the military-industrial complex), can hardly be compared with the prospects of Tatarstan or Bashkiria. Tubylov, therefore, in addition to acceding to the highest post in the republic without the obkom career traditional for many leaders (he headed just one party raykom [rayon committee] and a sovkhos vocational school), may not be able to render his colleagues anything more than political support. But here too certain problems may arise: within Udmurtia—the Supreme Soviet chairman has not built a relationship with leaders of the government. The parliament replaced Nikolay Mironov, who came to power in the republic simultaneously with Tubylov. Concerning the new head of government, Aleksandr Volkov, however, "the honeymoon is over" (although it is the prime minister, like the recent head of the apparatus of the Federal Assembly, Vladimir Podoprigror, adhering to centrist views, who will represent Udmurtia in the Council of the Federation). The future political biography of Valentin Tubylov will therefore be determined to a great degree by the prospects of all the Volga republics and the fortress of their informal "coalition."

#### FEDOROV

Nikolay Fedorov, the recently elected president of the Chuvash Republic, could turn out to be the "dark horse" among republic leaders were it not for his preceding political biography. Fedorov is a political figure on the federal level who left Moscow for Cheboksary—an atypical act at first glance, but further regionalization of the country may make such steps the rule rather than the exception in the game of Russian political chess. A lawyer by profession, Fedorov bound his career to Gorbachev's perestroika. He was one of the many USSR people's deputies "withheld" in power thanks to the multi-candidate parliamentary elections in the Soviet Union. Nikolay Fedorov was minister of justice of Russia in the cabinets of Ivan Silayev and Yegor Gaydar. After the August events, however, a crevice appeared between him

and the presidential administration. Specifically, the minister of justice came out in opposition to the establishment of a unified Ministry of Security and Ministry of Internal Affairs of the Russian Federation, and when Boris Yeltsin announced proposals for a special procedure for governing the country in spring of last year, he resigned. Like another former minister, Sergey Glazyev, Fedorov ran for deputy to the Russian Federation State Duma on the slate of Nikolay Travkin's opposition Democratic Party of Russia. But immediately following the resignation of Fedorov, who initially did not issue sharp statements, conjecture surfaced that his departure was related to a desire to occupy the office of president of Chuvashia. However, even confirmation of such conclusions shows that the future president understood in time that success in the republic could be achieved only at a great distance from the Kremlin. For this reason one can foresee that in the office of president of Chuvashia, Nikolay Fedorov can hardly be expected to become an ally of his recent colleagues in the Russian Government. The former minister of justice will probably easily find like-minded thinkers among the presidents of the neighboring Volga republics. The results of the election in Chuvashia can only intensify the already existing gravitation of Volga republics toward greater independence.

#### KHUBIYEV

One of the final resolutions of the Supreme Soviet of Karachay-Cherkessia on the eve of parliamentary elections in this republic was the decision to entrust the functions of head of republic to Prime Minister Vladimir Khubiyev. In this manner, the Supreme Soviet acknowledged a fact long known to all in the republic which somewhat differentiated its political system from that of other Federation entities: that it was the prime minister, and not the Supreme Soviet chairman, who was the leader of the republic, the "uncrowned president" of Karachay-Cherkessia. Khubiyev has been the leader of Karachay-Cherkessia since 1979, when he was elected chairman of the ispolkom [executive committee] of the Soviet of People's Deputies of the autonomous oblast. His commanding position was confirmed as well by edict of President Yeltsin, who appointed Khubiyev acting head of administration of Karachay-Cherkessia, and by resolution of the Supreme Soviet which confirmed him as prime minister, and now as head of the republic. Karachay by nationality, Khubiyev seems to be living proof that it is possible for a united Karachay-Cherkessia to exist—which certain national movements have attempted to oppose with separate nation-state formations. In addition, it is important to take into account the indisputable influence Khubiyev wields within the most diverse political circles of his republic, in order to understand how closely intertwined the very existence of the Karachay-Cherkess Republic is with the personality of its leader.

#### CHAPTYNOV

Valeriy Chaptynov, chairman of the Supreme Soviet of the Altay Republic, managed to accede to power in a somewhat unexpected manner: At a time when, in other autonomies, it was the first secretaries of party obkoms that headed the soviets, as a rule, Chaptynov was first elected chairman of the Gorno-Altay Oblast Soviet, and only then elected first secretary of the Gorno-Altay Party Obkom. A



cadre Komsomol and party functionary (very few—even of Chaptynov's colleagues among the leaders of republics can boast of such a personal history, which includes just about all the possible jobs on the oblast level), Chaptynov maintained a consistently conservative stance during the days of crisis. He supported the activities of the GKChP [State Committee for the State of Emergency] in August 1991 and sided with the opponents of President Boris Yeltsin in September-October 1993. However, this did not sway the standing of Valeriy Chaptynov in the republic. Attempts to remove him following the August events did not meet with success and after October, the Supreme Soviet chairman won a confident victory in the election to the Council of the Federation of the Russian Federation (the second seat went to Vladimir Petrov, chairman of the Government of Altay, whose positions in no way always coincide with the views of the speaker). Clearly the leader of the Altay Republic not only occupies a solid position within the power elite of the region—he also knows very well the moods of the voters in this small, mountainous country.

#### SHAYMIYEV

The president of Tatarstan has managed to become one of the acknowledged leaders among the heads of the Russian republics—thanks to Kazan's special view of the future status of the Republic of Tatarstan, which did not sign the Federation Treaty and also did not declare its independence (as did Chechnya), but rather agreed to sign a heretofore unprecedented bilateral treaty defining the relationship between the Russian Federation and Tatarstan, and also thanks to his methods of asserting his position. This position is traditionally far from extremist. From the very beginning, when the republic declared its special position (in particular, it strove to independently sign the Union Treaty), the president of Tatarstan attempted to be more an active participant in the negotiations process than an orator reciting slogans on sovereignty. The course he pursued, not well perceived initially by the Russian center, was later applied to other republics. Following the rejection of inclusion of the text of the Federation Treaty into the Russian Federation Constitution, bilateral "republic-Kremlin" contacts and contacts among republics in general may now become prevailing.

For the sake of fairness it should be recalled that even in the old Union hierarchy, the first secretary of the Tatar party obkom (and Mintimer Shaymiyev held this post) occupied a special position hardly comparable with the position of the other first secretaries/leaders of autonomies: A place was "reserved" for him not just in the CPSU Central Committee, but in the Presidium of the USSR Supreme Soviet as well (as was the case for the first secretaries of the capital—Moscow and Leningrad—party committees). If only for this reason, Shaymiyev had no special problem standing out among his colleagues. But as an experienced administrator, he knew full well that maintaining tranquility in a republic undergoing sovereignization, where half the population was non-Tatar, depended on economic stability and the prevention of interethnic conflict in Tatarstan. Here the president of Tatarstan can be compared with the president of neighboring Kazakhstan, Nursultan Nazarbayev. It is no accident that in both the case of Kazakhstan and that of Tatarstan, this

concept proved its worth. In any event, the majority of Tatarstan voters participate (or more accurately—do not participate) in federal events behind the republic leaders. Whereas following the August (1991) events, Kazan was the party more interested in concluding an agreement with Moscow, today the leadership of Tatarstan is quite happy to maintain the current ambiguous status. So much simpler it is for President Shaymiyev to appear as an arbiter between Tatar national forces advocating independence for the republic and the parliamentary opposition oriented on the center, which believes that Tatarstan's status must be determined on "common" principles (these "common" principles change with time, incidentally, and will do so a good many times more in favor of the Kazan Kremlin—the residence of the Tatarstan president).

#### SHTYGASHEV

Vladimir Shtygashev, chairman of the Supreme Soviet of Khakassia, is perhaps the most irreconcilable enemy of the presidential administration to be found among the leaders of the republics. To the very last day, Shtygashev was a consistent supporter of the leaders of the White House (in a recent interview for NEZAVISIMAYA GAZETA he again named Ruslan Khasbulatov "a great Russian patriot"). He was among the initiators of the idea to create an "alternative" council of regional leaders, and travelled to the White House on an intermediary mission along with President of Kalmykia Kirsan Ilyumzhinov and President of Ingushetia Ruslan Aushev. However, whereas Ilyumzhinov and Aushev, like many other creators of the "alternative" council, managed almost immediately following the October events to smooth up tensions arising in their relations with the Kremlin, Shtygashev stuck to his previous positions and categorically refused to run for the new Russian parliament.

Taking into account the remoteness of Khakassia from the centers of power, we can presume that Moscow will hardly undertake a serious attack in the near future against the authority of Vladimir Shtygashev. Especially since even in Abakan itself, the position of the Supreme Soviet chairman is complicated by difficult relations not only with the prime minister—traditionally closer to the executive power, but also with his own first deputy, whose orientation is alongside Moscow democrats. Vladimir Shtygashev's regional views are simpler, although he leads a republic transformed from a former autonomous oblast and detached from what is now the neighboring Krasnoyarsk Kray. Nonetheless, Abakan and Krasnoyarsk today share not only a certain political mutual understanding, but also active participation in the "Siberian Agreement"—converted from an economic alliance into the embryo of a kind of new regional formation in Siberia. National status can hardly be expected to hinder Khakassia from participating in the creation and construction of such a formation. After all, Khakass people comprise not more than 12 percent of the population here, and republic leaders themselves treat the republic's independence primarily as an economic consideration.

It cannot be ruled out that these comments provide far from an exhaustive treatment of the palette of regional power in the Russian Federation—of course it is far from exhaustive! It would probably be a very difficult task today to draw "a collective political portrait" of the leaders of the

oblasts and krays of the Russian Federation. However, it was equally impossible until quite recently to turn to portraits of the leaders of republics, although we have here the very same people... The complex situation in the country and permanent sovereignization processes have turned the leaders of the republics into politicians. Are we not dealing with similar processes (perhaps they would be better termed processes of regionalization) when we look at the oblasts and krays? No, it is still too early to mark the end of the cycle "The Face of Power or the Power of Faces?"

#### Stavropol Prepares for Local Elections

944F0409A Moscow ROSSIYSKAYA GAZETA in Russian  
6 Mar 94 p 2

[Article by Lyudmila Beldyugina, Stavropol: "Elections in the Regions: A Little More, and They Will Get Into a Hand-to-Hand Fight...."]

[Text] Once again, the Inner Council of people's deputies unanimously (with one abstention) affirmed its former decision regarding the numerical size of the State Duma of Stavropol Kray, whose elections are scheduled for 27 March.

What is more, the deputies decided to turn to the judicial organs, including the appeals and supervisory courts with complaint statements about declaring invalid the decree of the electoral commission of the kray on the elections to local organs of authority "Concerning the Organization of 25 Electoral Districts" and its other decrees that were adopted in defiance of the kray council.

The Inner Council also sent documents to the Supreme Soviet of the Russian Federation, appealing against a decision of the kray people's court, which refused to examine its complaint to the kray electoral commission. Thus, the dispute between the representative and executive branches of authority in the kray has entered a more acute phase.

The gist of the delayed and by no means concluded dispute is the following. In January of this year, already not for the first time, the Inner Council once again ratified the decision: Forty-two deputies will work on a permanent basis in the State Duma of Stavropol Kray. But the administration of the kray is insisting on 25, of which, in its opinion, only 10 deputies should work on a permanent basis, and it is also insisting on increasing the percentage of signatures of voters for the nomination of candidates for deputy from 3 to 5 percent.

These proposals were interpreted by members of the Inner Council as a frank desire of the current administration to form an obedient representative authority that it had in its pocket. After all, the more signatures that future candidates will have to collect, the easier it will be for the executive authority, which has a powerful apparatus, to push its own people into key posts, mainly heads of local administrations, believes Yevgeniy Borodin, a member of the kray council and an activist of the Democratic Russia movement. Many kray, oblast, and city dumas are being formed today according to this principle. He reported that after a meeting of the Inner Council, which affirmed its previous decisions, the deputies learned about the decree of the head of kray administration, Yevgeniy Kuznetsov,

in which the numerical size of the future duma of 25 deputies apparently is legalized. The kray electoral commission is also adopting a similar decree to please the governor.

Briefly, the elections are just around the corner, but the dispute is heating up in earnest. The people's deputies believe that the 25 districts—according to the number of candidates for deputy—that were organized by the kray commission are illegal and that the competence of the deputies in them can be disputed, which creates a basis for the instability of future authorities and the sociopolitical situation in the kray.

"Supporting our assumptions that the kray administration will create an obedient authority is the fact that the first registered candidates for deputy of the kray duma are entirely representatives of executive authority," asserts Ye. Borodin.

#### Maritime Kray Candidate Lists Compiled

944F0405A Vladivostok VLADIVOSTOK in Russian  
4 Mar 94 p 1

[Article by Marina Loboda, VLADIVOSTOK: "One Hundred Fifty Candidates Nominated to Kray Duma"]

[Text] Lists of contenders for seats in the representative organ of authority in the kray have been compiled in the kray's electoral commission.

According to preliminary data, 150 Maritime Kray residents are contending for 39 seats (on the average, 3.85 persons per seat). Of these, 129 are men and 21 are women.

The greatest political activity was noted in the 14th Electoral District (Frunzenskiy Rayon of the city of Vladivostok). Eight contenders were nominated here, which is explained by the considerable size of the district—more than 57,000 persons.

The minimal possible number of contenders was nominated in nine districts—two persons each, which could be an indication of the low interest in politics among the population, as well as an indicator of the serious approach of the citizens to the evaluation of their political data.

An overwhelming majority of the contenders are managerial workers, and an increased interest in politics has been noted among doctors. Given a closer examination of the list, one could find in it: metal workers—one, lathe workers—one, and sailors—one.

On the other hand, 37 former people's deputies decided to take this path once again. Among them—six former chairmen of soviets at all levels.

No less active were the presently functioning authoritative structures: 15 heads of administration of rayons and cities of the kray are tying their future fate to the kray duma. The greatest activity here was displayed by officials of the kray center: Six representatives of the city administration and six from the kray administration intend to expand their authoritative powers at the expense of duma seats. It is impossible not to note the fact of the inclusion in the political campaign of A. Pavlov, deputy governor of the kray, who was on the point of receding into the shadows.

The Zvezda plant took first place among the enterprises of the kray. Right off there were four contenders for a seat in the duma—is this not conversion?

#### Maritime Kray Official on RF Pension Fund

944F0405B Vladivostok UTRO ROSSII in Russian  
3 Mar 94 p 2

[Interview with P.M. Nazarov, manager of the Maritime Kray department of the Pension Fund, by I. Permyakova, UTRO ROSSII correspondent; place and date not given: "Why This Pension Fund Is Necessary"]

[Text] A decree of the Supreme Soviet of the Russian Federation on the establishment of the Pension Fund of Russia (PFR) was adopted on 27 December 1991, and a pertinent statute was developed. The obligation of the fund is "to ensure the collection of insurance premiums necessary to finance the payment of state pensions, while fully making good use of the rights granted to it for these purposes." But it was necessary for this to organize a state data bank by the end of 1992 on the payers of insurance premiums to the PFR....to initiate preparatory work on the organization of an individual account of mandatory insurance premiums coming in from working citizens, keeping in mind in the future to increase the size of state pensions owing to the resources they contribute.

By no means all of our readers understand what the basic functions of the Pension Fund include and what specifically required its creation, and therefore I. Permyakova, our correspondent, turned for an explanation to P.M. Nazarov, the manager of the Maritime Kray department of the Pension Fund.

"Our fund," explained Pavel Mikhaylovich, "is federal, and therefore, we transfer a considerable part of the collected resources to Moscow. But the gist of it is in the following. According to the law, each employer must participate in the establishment of the PFR, just as every employee must who is accepted for work. In addition, the employer pays 28 percent of his income monthly, and the worker, 1 percent. This is done somewhat differently in the civilized countries of the West: When a person assumes one or another position, an account is opened in his name in an appropriate insurance company to which a certain percentage of wages is transferred and frozen there until the worker goes on pension. In Finland, for example, a person does not have to go for his social security after he becomes a pensioner. They will come to his home and process everything. If he transfers from one enterprise to another, his personal account follows him, as before remaining inviolable. It is not this way in our country: Monetary inflation does not make it possible for us to operate in the European fashion; money is being devalued. Therefore, this kind of solution was found: Collect 28 percent from any organization and 1 percent from the person who works in it. It turns out that the one who is working now provides for the old age of the generation that has left for a rest.... And our main task is to finance the payment of pensions.

[Permyakova] So that it turns out: It is not enough that you work for the people of Maritime Kray—you also finance Moscow?

[Nazarov] I will explain: There are 88 territorial (regional) okrugs in Russia. There are such oblasts and krays (Krasnodar and Stavropol Krays and Tambov and Kursk Oblasts, and some others) that were always subsidized, but in the Far East there are very many people who work here (especially fishermen), but who are registered in the Western part of Russia. They will not be able to make use of the resources transferred from enterprises to the local Pension Fund, owing to which a specific surplus is established that we transfer to the center for their maintenance. Actually, in [line of text missing] more than 50 billion rubles [R].

[Permyakova] Well, nonetheless, was there a need to establish your fund?

[Nazarov] Judge for yourself. Previously, resources for the payment of pensions were placed in the budget. But inasmuch as the social sphere was always financed according to the residual principle—the resources set aside for its needs were spent on all kinds of things!—there was practically no money left to fortify the welfare of the indigent strata of the population. In connection with the changes in the economy of the country, the idea came up about separating the pension fund from the budget, so that no one would be able to use it for unplanned purposes.

[Permyakova] Did I understand correctly that owing to the collection of resources, the Pension Fund can increase the amount of payments to groups of the population that are poorly protected against inflation?

[Nazarov] Correct. But, unfortunately, we are still collecting much less than we could. After all, many enterprises are on the brink of bankruptcy. Many large enterprises are our debtors: R8 billion for the fishermen, R5 billion for enterprises of the defense complex and R4 billion for the Ministry of Defense, and R3 billion for the nonferrous metals industry—for a total of R26 billion. Under an optimal variant, we receive up to R40 billion. Our task consists precisely of collecting, controlling, and using these resources. On the whole, we transfer up to R27 billion to social protection organs. We levy fines on enterprises that hide their indebtedness, and we direct the sums received for social protection [one or two lines missing] last year we gave R1.768 billion for these purposes. In addition, R1.325 billion went for rendering material assistance; for health improvement and convalescence of participants and invalids of the Great Patriotic War—R56 million; and for boarding school houses and shelters and for their reconstruction and the construction of new buildings of this designation—R121 million. The Red Cross and the organization of medical-social assistance to solitary people and people of old age at home received R10 million. One hundred million rubles were given directly to social security departments.

[Permyakova] In light of the inflation, these figures could prove to be inadequate....

[Nazarov] This year we plan to transfer R6 billion for all such needs, and a billion was already given for the first quarter by 20 February.

[Permyakova] It is no secret that many enterprises are really in catastrophic condition and are increasing the percentage of so-called hidden unemployment, when



people are forcefully sent on leave without maintenance. How can they settle accounts with you?

[Nazarov] We take all of this into consideration. If an enterprise is trying to be honest with us and with its own workers, we give an extension. But those who have enough money both for wages and construction, but who evade payment of the pension tax—we fine these harshly, and Moscow is requiring tough measures from us. In 1993, we exacted R3.869 billion from violators. At the same time, the government decided to forgive the indebtedness of those enterprises [line missing] that cannot pay their workers even the minimum wage....

[Permyakova] Pavel Mikhaylovich, the attention of our readers was attracted by a note in one of the city newspapers, "Do not take money from grandmothers." Some people understood this to mean that the Pension Fund does not support them.... Is it possible that the notorious Pension Fund also takes from old people?

[Nazarov] In no way! A pension tax is not collected on any kind of stipends, benefits, and pensions! In this case, the question exactly concerns the concealment of one's incomes and corresponding indebtedness to the Pension Fund of a large number of enterprises, owing to which pensioners also do not receive what they have coming to them. But, by the way, the Pension Fund itself does not engage either in the payment of pensions, or in rendering social assistance to the indigent strata of the population. These things, as I have already mentioned, are handled by the social protection organs, but we finance them. For the payment of pensions in the kray, R137.5 billion were expended from PFR resources, and for social protection—R1.768 billion (while the note for some reason indicates a total of R120 million, which constituted allegedly 60 percent of what was planned). It should be known that only resources collected from violators are directed to the social protection of the aged. The work will be perfected, control will be improved on the part of our employees, the sums of fines will be increased, and, consequently, more resources will be directed to social protection [line missing] Pension Fund is established in order that its resources go only for the needs of the people of scanty means. This money is kept in banks; we do not see the cash, it can be used temporarily only by the bank, and last year we received R1.560 billion from banks for the use of our resources, and we paid various taxes of R510 million into the budget.

[Permyakova] Pavel Mikhaylovich, one more, indelicate question, which an American would not answer. But life is life, and as long as the majority is infringed upon in its earnings, people cannot help but be interested in what the average wage of your workers is.

[Nazarov] Well, it is a good and lawful question. First, I will note that we do not set the wages for ourselves; they are established by Moscow—by the federal organs of social administration. Yes, we have a decent wage. It is R275,000, and we hope that it will grow. We take into account years of service, and we add on bonuses. For what? Workers of the Pension Fund monitor 26,000 enterprises of various types [two lines missing] 8,551, and of these, violations of established payment procedures were disclosed in 7,516 (and this is 88 percent of the number that were checked!) and about R4 million was recovered! Each

worker of our fund has to make 50 checkups—almost as much as there are weeks in a year. Numerous beginning commercial structures try especially hard to evade tax payments, and we find them through the banks and tax inspectorates. It happens that they tear up our acts there, threaten and taunt us, muddle up accounts, although all that they have to do is to calculate wages, transfer 28 percent from the monthly incomes of enterprises and 1 percent from each worker. But no, almost everyone is a violator. But after all, each of us will sooner or later move into the pensioner category....

[Permyakova] Have you, Pavel Mikhaylovich, been associated with the financial structure for a long time?

[Nazarov] I am a financier to the marrow of my bones. I graduated from a financial institute more than 30 years ago. I worked in a bank for 13 years as chief [line missing] of the financial administration of the kray executive committee, and from 1991 I became the manager of the Pension Fund. I was born in Amur Oblast, and I have been living in Vladivostok since 1955.

#### Arkhangelsk Post-Election Political Scene Surveyed

944F0399A Moscow IZVESTIYA in Russian 4 Mar 94 p 2

[Article by Viktor Filippov, IZVESTIYA staff: "Arkhangelsk Politicians Do Their Jobs and Do Not Fight With Anyone"]

[Text] Arkhangelsk—Arkhangelsk is like Odessa in felt boots: people are never at a loss for words here, either. The impressive building of the oblast party committee, located, as it should be, in the very center of the city, has been sarcastically dubbed the "accordion." Not so much for its architecture as for the "music" that came out of it, music to which the entire Maritime Oblast used to dance. The nickname was kept during the time of the building's next tenant: the oblast soviet. Evidently its "music" too closely resembled the party music.

And since last 12 December the famous building became the residence of the new representative authority—on that day Maritime Oblast residents elected their oblast assembly. Whether the ironic legacy will attach itself to the assembly, we won't try to guess. So far, people in Arkhangelsk speak of their parliament without irony. And we also will take a look at it with serious eyes, since such elections lie ahead for other regions of Russia, as well.

#### Mirror of the Russian Provinces

Thirty-five deputies were elected to the 41 seats in the Arkhangelsk Oblast Assembly. Elections of six more are to be completed at the end of March. The new deputy corps has provided some idea of what can be expected from province authorities today.

First of all, professionalism. The communist patriots' favorite argument about the cook at the helm of state has been totally refuted. All the deputies to the oblast assembly have higher-school diplomas and are between 30 and 60 years of age, which is considered the most productive for work. Fifteen deputies are executives of industrial, construction and agricultural enterprises, eight are from rayon

and rural administrations, and the rest are physicians, teachers, lawyers and journalists.

Second, the province clearly does not want a revival of Soviet practices. Only nine of the legislators out of 35 were formerly deputies to a soviet.

And third, the voters are hoping that their deputies will engage in lawmaking, not political struggle. Maritime Oblast inhabitants have elected to their oblast assembly only those who have not linked themselves unreservedly to any one party or movement.

"We don't have any factions," says Nikolay Isakov, chairman of the oblast assembly. "We have come here in order to put the oblast's economy in order, and one's political coloring is unimportant for economic laws.

#### Speaker-Diplomat

Nikolay Isakov is 47 years of age. He was born on the Pinega River and is a fellow countryman of the writer Fedor Abramov. And he himself is an exceptional person for the Arkhangelsk backwoods. He was graduated from the Friendship of People's University in Moscow, is a historian and economist by training, and is fluent in Spanish, Portuguese and Italian. He worked in Cuba on the staff of an economic adviser. Then he governed Pinezskiy Rayon as head of the administration. It was through his diligence that a museum was opened in Fedor Abramov's house in the village of Verkola, and that a granite monument was placed on the writer's grave. The rayon chief has accomplished a number of other, perhaps more prosaic, but equally good deeds, for which Pinezskiy Rayon's inhabitants elected him to the oblast parliament. And when the assembly's deputies were deciding who should be speaker, Nikolay Isakov proved to be without competitors.

"There is nothing for us to divide up with the executive authority," Nikolay Isakov believes. "The oblast administration is working hard to enable the producer of goods to operate normally. And we will use the means at our disposal to try to accomplish the same objective. Saving jobs in remote areas means saving the people who live there. But where are the muzhiks in a forest village to go if their only timber station closes. And what will they feed their children?"

An interesting note: the "accordion" has its own cafeteria, but the speaker has made a habit of dining in the oblast administration building, with the governor. According to Nikolay Isakov, it is better to go over common problems in an informal atmosphere.

#### Not a Word About Privileges

Of the 41 deputies to the oblast assembly, 16 may work on a permanent basis. But only three professionals have joined the speaker and two deputy speakers. The rest of the deputies have not quit their jobs. The deputies meet in Arkhangelsk only once a month—for a session that lasts five days.

The oblast assembly began its work at the same time as the State Duma. But while their colleagues in Moscow were arguing over what privileges to establish for themselves,

the Arkhangelsk legislators were concerned with the socio-economic state of the oblast, its budget, local tax rates and the structure of local government. None of the deputies said a word about privileges for themselves.

"It's disgraceful, to stuff one's own pockets at the expense of the impoverished people," Nikolay Isakov says.

The Arkhangelsk parliament lives modestly. Only the chairman has an official car. The deputies are reimbursed for their hotel and travel to sessions. They also have the free use of city transportation, except for taxis, of course. The oblast assembly's staff is half the size of the deputy corps. Those who work on a permanent basis receive salaries: the speaker's is equal to the governor's, his deputies get the same as the vice-governor, the chairman of a standing commission gets the same as the director of an administration, and so forth.

"Sensible deputies have been elected," says Governor Pavel Balakshin. "This is no longer the same thing as the former oblast soviet, which contrived to govern everything. I express my own position at sessions of the oblast assembly, and even if it differs from the deputies', we find agreement."

Nonetheless, I am wary of drawing the conclusion that the elections of local parliaments that are slated for the end of March in many regions of Russia will bring long-awaited political peace as has been the case in Arkhangelsk. Practically everywhere, heads and deputy heads of administrations of various levels are running for deputies. Seven of such "dual job holders" have gotten onto the Arkhangelsk Oblast Assembly. However, it is not out of the question that the dual job holders will take the majority in the parliaments of other oblasts, and that the representative branch will be suppressed by the executive branch. Consequently, autocratic regimes may be established on part of Russian territory.

Our country has many faces, and there is no doubt that the regions' bodies of representative authority should be in accord with their historical traditions. But at the same time, there is a need for a federal law on the general principles of local authority that would guarantee the indivisibility of Russia. And it makes good sense that the March elections in the regions should be postponed until the time when the State Duma adopts such a law.

#### Smolensk Agrarian Party Conference Detailed

944F0390A Smolensk RABOCHIY PUT in Russian  
12 Feb 94 p 2

[Article by I. Petrov: "The Future Is for the APR [Agrarian Party of Russia], Believe Oblast Conference Delegates"]

[Text] The regional section of the Agrarian Party of Russia, is perhaps the youngest in the multiparty list of the Smolensk region. Organizationally, it was formed a little over a month ago. However, in its numbers (around 400 members), the APR is far from being in last place. And this is understandable: Our oblast has long been called agrarian. Moreover, the APR won a certain authority in Russia during the elections to the State Duma, where it received representation among eight parties and movements. Organizations of the APR have been created in 70 regions of Russia.

This fact was reiterated at the recently held oblast conference of the APR. The chairman of the party organization, A. S. Ignatenkov, justifying the need for unification of agrarians of the Smolensk region into a party, recalled the oblast conference on agriculture which was held two years ago. Even at that time the conclusion was drawn that reforms are being implemented not in the interests of the farm workers. A coordinating committee was elected, which prepared documents containing proposals and demands of the rural residents to the local administration and the government, organized picketing, etc. The result was zero. Evidently, they made the rounds of the offices and pleaded in vain. It was necessary to opt for extreme measures—not to supply products. But, on the other hand, the coordinating committee did not have any powers and authorities. The creation of the party introduces the work on defending the interests of the peasantry into a constitutional channel. This was the specific guideline during the creation of the APR by its founders, among which the main role belonged to the trade unions and the Ministry of Agriculture. A. Rutskey was also of great help.

What is the APR trying to achieve, and what are its tasks today? First of all, it is necessary to stop the disintegration and the pilferage of agricultural structures which had been decades in the making. The head of the Smolensk organization of the APR, A. S. Ignatenkov, has long been well known, including also outside the oblast, as the chairman of the leading kolkhoz "Zarya" in Pochinkovskiy Rayon. The achievements of this farm in the sphere of production as well as in the social-domestic sphere were widely publicized not only in the local, but also in the central press. However, in the words of A. S. Ignatenkov, it was not necessary to do anything brilliant in order to obtain 40 quintals of grain crops from a hectare and a 4,000 liter milk yield. The main thing was that a good material base was created and, were it not for the reforms, not tens but hundreds of farms in the oblast would have such indicators today. We could feed not only ourselves, but Poland too. Yet today even the recent "beacons" cannot make ends meet: The problem lies in selling the produced product, in getting money for it.

The statements of farm managers F. S. Vasilyev and V. D. Komarova, who are well known in the Smolensk region, resounded with concern already for the near future of the farm. Oblast leaders today have forgotten their pre-electoral promises to see to the needs of the peasants. Despite the invitations, not one administration representative came to the conference. To hear them talk—everything is fine with us. Yet catastrophe is not far away—there is simply nothing with which to sow the current Spring planting in the Smolensk region, not to mention the problems with equipment, spare parts and fuel. Where and for what means are the current joint-stock companies supposed to buy all of this, if even an excellent flax crop, for which medals were given before, brings only losses?

The APR does not have time for political discussions. It does not aspire to any bright color in today's political spectrum. Its goals and tasks are in keeping with those facing the trade unions. And it is no accident that the trade unions are among the founders of the party, and it is no accident that at the conference (it was held in the obls-ovprof [oblast soviet of trade unions]) the tasks for creating

and stepping up the actions of the local APR organizations were placed before the trade union raykom [rayon committee] chairmen.

Speaking at the conference, the oblast committee chairman of the trade union of workers in the agricultural industry, V. A. Yakovlev (he is also the co-chairman of the oblast organization of the APR), noted that the APR is a party not only of farm workers, but of everyone who holds dear the needs of our farms. Ultimately, the well-being of everyone depends on the degree to which these needs are met. This is specifically why the future is for the APR. And we do not need to forcefully drag anyone into the party, to inflate its membership numbers. The Agrarian Party is open to constructive cooperation with all parties and movements, but will not itself seek alliance with anyone. For now, the agrarians are in closest contact with the communists.

A separate point on the conference agenda was the question of nominating candidates to the oblast дума. An agreement was reached on support of previously nominated candidates by the APR. It turned out that among these were also the heads of the Rudnanskiy, Pochinkovskiy and Kholm-Chirkovskiy administrations. The candidates for deputy in the oblast дума nominated by the APR were P. Ye. Demyanov (Yartsevo) and V. A. Yakovlev.

An oblast organization council was created at the conference, and all participations were given party tickets of a pleasant green color. We have only to hope that the Agrarian Party will be able to help the peasants as well as us, the city residents, to live through the current difficult times.

#### **Smolensk Communist Party Chief on Current Tasks**

944F0390B Smolensk RABOCHIY PUT in Russian  
25 Jan 94 p 2

[Interview with Veniamin Nikolayevich Potapov, chairman of the Smolensk city executive committee of the CPRF [Communist Party of the Russian Federation], conducted by P. Privalov: "The Salvation of Russia Stands Above Differences of Opinion"]

[Text]

[Begin boxed material]

After the elections to the Federal Assembly of the Russian Federation, a bold expression became popular: "The second coming of the communists." For many, the success of the CPRF in the elections turned out to be perhaps no less unexpected than the triumph of the party of Zhirinovskiy. As we know, the CPRF collected 14.78 percent of the votes cast in the election in the Smolensk region. Although this was less than half of what the LDPR [Liberal-Democratic Party of Russia] got, nevertheless—it is the second result. What do the communists themselves think of this? Our correspondent posed this question to the chairman of the Smolensk city executive committee of the CPRF, Veniamin Nikolayevich Potapov.

[End boxed material]



[Potapov] First of all, I believe that most of them who did not approve of the decision of Zyuganov's party regarding participation in the elections were convinced that we were right. The results of the voting took the ground out from under the feet of politicians who say that Russia is through with communism. Real prerequisites have been created for a normal and fruitful discussion of an ideological character, without application of labels and insults.

Of course, the "second coming of the communists" is a bit overstated. Fifteen percent, you must agree, is not all that much. However, the "Choice of Russia" got even less. Nevertheless, the entire mass media is at its service: Radio, television, and SMOLENSKIYE NOVOSTI. I pick up a random copy of SN. There is a published sampling of five letters commenting on the results of the election. Four of the letters are in support of the president and "Choice of Russia" and one is about the LDPR. Moreover, the last one is written in such a way that, I believe, does not want to make anyone want to have anything to do with the "Zhirinovskiy followers." Yet, as experience shows, it is useless for us to submit our material to SMOLENSKIYE NOVOSTI.

[Correspondent] Much has been said recently about democracy, pluralism, freedom of speech, and so forth. How do you explain the situation which has arisen?

[Potapov] Lenin already explained everything, and very well. The press and other mass media are always partisan. They always express the interests of certain classes and social groups. They are always dependant on the publisher, on bribes, on support, on the moneybag, etc. Once again we have become convinced of this.

[Correspondent] So, perhaps you should follow Lenin's path and create your own ISKRA?...

[Potapov] That is easy to say. Today even the major newspapers, as you know, cannot make ends meet. What can you say about us, who have no money? It is good that the CPRF is somehow able to publish NASHA GAZETA in Safonov for certain major events and campaigns. We print leaflets and distribute party literature. We see our main task in the propaganda of our views.

[Correspondent] And is this all that the city organization of the CPRF is doing today?

[Potapov] We are actively participating in the elections, supporting our candidates, collecting funds for a memorial to Terkin... In general, however, it is not easy for us today. It is not simply that there is a chronic shortage of monetary funds. We do not even have our own accommodations. Despite repeated appeals to Mayor M. G. Zysmanov, the city mayor's office has not considered the fact that we are speaking about a public organization numbering around 700 members for the present day, and has not resolved this question. Negotiations are currently being conducted with the oblast property fund regarding the question of our leasing accommodations in a building on Krupskaya Street. For the present, however, the acceptance of new members and the reregistration of communists is a practically impossible task: There is nowhere to turn.

[Correspondent] Evidently, this is a common problem for all local sections of various parties?

[Potapov] I would not say so. In the House of Political Enlightenment which was built with party funds (currently a music school), facilities have been allocated for parties whose members in the Smolensk area may be counted on one's fingers. To put it mildly, we are encountering a certain prejudice in regard to the communist party on the part of the authorities. And this despite the fact that we are being controlled by party card holders.

[Correspondent] Call them "turncoats," as the readers do in their letters to the newspaper, and we will put an end to the subject.

[Potapov] Turncoats—that is too simplified. Just look, practically all the leaders of the current parties were formerly members of the CPSU. And how they have scattered! The communist party has always had, as a minimum, two camps. In one there were those who said about Russia and the Union, "that country." They were the destroyers. In the other were the ones who said "our country," the builders. The struggle between them may be viewed literally over the entire duration of the party's history. The most striking example is the debunking of Leo Trotsky's theory of the permanent revolution. In translation, "permanent revolution" is continuous destruction. The proponents of this theory are currently implementing it in practice under the mark of radical market reforms. Moreover, having brought us out onto the beaten path of "world civilization," our leaders are concealing the fact that our crisis is taking place on the basis of the world crisis. In the Summer of 1992, a conference of heads of state and governments was held in Buenos Aires, where the synonymous conclusion was drawn that if world civilization follows the Western path of development, it will find itself in a dead end. And why do we need to go there?

[Correspondent] Nevertheless, even within the communist camp there is no unified opinion regarding an alternative path.

[Potapov] Yes, there are differences of opinion. They are being manifested also in the Smolensk region. But the city organization of the CPRF believed and still believes that now is not the time for interparty, and particularly intraparty, sorting out. We are open to cooperation with everyone who speaks out against the shock policy of the current government, for whom it is not differences of opinion which stand above all else, but the salvation of Russia. During the electoral campaign, we also collected signatures in favor of the Russian All-People's Union, helmed the party of the cadets, the "Dignity and Charity" movement, and certain others. Today we consider our closest allies to be the Agrarian Party of Russia, the patriotic movement and the Smolensk Popular Assembly.

[Correspondent] There are rumors circulating about certain contacts of the CPRF with the party of Zhirinovskiy.

[Potapov] We have not had any dialogue with the LDPR. If they agree to it, we, for our part, are not opposed. We may say the same also of the DPR [Democratic Party of Russia]. In general, however, we are more worried today about the problems of the upcoming elections to the oblast duma and the organs of local self-government. We are proposing already in the near future to hold an oblast conference of the CPRF, to hear the report of the executive organs, to define our pre-electoral platform. We believe

that the results of the December elections could be more favorable for us if the supreme administrative organ of the oblast CPRF worked out a preliminary decision on tactics and candidates. This has not been done. I believe we must learn from mistakes.

#### Communist Workers' Party Chief Visits Tyumen

944F0404A Tyumen TYUMENSKAYA PRAVDA  
in Russian 5 Feb 94 p 1

[Report, under the rubric "The Authorities and the Opposition," on interview with Viktor Arkadyevich Tyulkin, first secretary of the Russian Communist Workers' Party, conducted by V. Snisarenko; date and place not given; also excerpts from Tyulkin's statements first published in VECHERNIY LENINGRAD]

[Text] Although central Russian newspapers wrote not a line about this, the first secretary of the Russian Communist Workers' Party (RKRП), V. Tyulkin, made a short working visit to Tyumen during these last few days.

Possibly it is because the number of RKRП members is now equal to the number of subscribers to TYUMENSKAYA PRAVDA, but all the same it was to the editorial office of TYUMENSKAYA PRAVDA that Viktor Arkadyevich made a visit in the first hours after his arrival in the Tyumen region, and he answered the questions of the newspaper's political commentator, V. Snisarenko, openly and completely frankly.

Anticipating the above-mentioned conversation, TP [TYUMENSKAYA PRAVDA] offers readers excerpts from recent statements by V. Tyulkin, the texts of which were published on the pages of the January issues of the newspaper VECHERNIY LENINGRAD.

On the work of the current State Duma: "The opposition represented by the party called the R<sup>7</sup> Communist Party, the Agrarian Party, and others will not play a fundamental role for two reasons: a) because the inefficiency of the Duma is laid in its very mechanism (not one decision will be adopted without the president's approval); and b) because in themselves the opposition parties are essentially unable to fight for the fundamental interests of working people and are at best focused on passive defense."

From the statement of the organizational bureau of the RKRП Central Committee, signed by V. Tyulkin: "In violation of the Law 'On the RF Referendum' and generally accepted norms of civilized states, Boris Yeltsin conducted a kind of population poll. Defending the people's right to independently decide their fate and relying on current legislation, the RKRП cannot recognize the diktat of the minority which has seized power in the country and is appealing the results of the poll to the Supreme Court of Russia (in accordance with Article 35 of the Law 'On the Referendum')."

On the predictions for a radiant future: "... We should expect maximum reinforcement of all components of the repressive apparatus: the police, the procurator's office, the courts, the political police, political investigation, and censorship... I very much regret having to predict the appearance of something like political terrorism in 1994. The regime has overstepped the line of legality too far, and too many people no longer believe in any possibility of

civilized, reasonable talk, accusing the communists and the patriots of speech making, naivete, and constraining the energy of the masses. Unfortunately, these forces of resistance may appear."

And here is what we were able to learn on a number of other questions during our in-person talk with him.

On the lack of unity between the RKRП and the RF Communist Party: In the opinion of V. Tyulkin, the leadership of the present RF Communist Party consists of those people whom "Boris Nikolayevich classifies as sensible communists, people with whom he is prepared to sit down and has already sat down at the negotiations table." In practice only the RF CP leadership, in V. Tyulkin's opinion, has to a certain extent betrayed the ideals of the communist movement, in fact redirecting it onto the opportunistic footing of social democracy. And we should not talk about disagreements between the concepts and views of the situation among ordinary members based on their related parties. Ultimately this internal unity will still make itself known.

On immediate plans: To actively participate in the local election campaign for the organs of representative power. The final goal is the Councils of Working People (although V. Tyulkin even acknowledged that "Yeltsin's people managed to make great progress along the path of totally destroying the 'labor unity' which even yesterday was powerful. To work toward increasing the number of local party members.

Let us assume that tomorrow the RKRП wins the elections and takes power in the RF into its hands. What will the first steps of its authority be?: To immediately suspend present-day privatization. Present-day millionaires and billionaires will have to report on the legitimacy of their wealth. To take the present structure of commercial banks under strict control, restoring the controlling monopoly of the Central Bank of the Russian Federation in this sphere. In addition, to immediately take steps to fight corruption and crime.

In light of this, V. Tyulkin explained that abandoning the privatization now being conducted by the present regime does not mean taking any repressive steps against those who are honestly engaged in business on the level of private property or joint stock forms of commodity production.

To summarize the RKRП position overall, it may be defined as total opposition to the present authorities and to the course of economic reforms they are conducting.

V. Tyulkin said the purpose of his present trip through the regions of Russia is to familiarize himself with the situation locally and with the sentiments in labor collectives, as well as to make the activity of the basic organizations of the RKRП more concrete. He confirmed that in protecting the interests of the working masses, the party stands and will continue to stand on the cornerstone principles of the Leninist RSDRP [Russian Social Democratic Workers' Party]. That is what he said.

**New Yamalo-Nenetsk Admin Chief Interviewed**

944F0404B Tyumen TYUMENSKAYA PRAVDA  
in Russian 16 Feb 94 p 1

[Text of press conference given on 14 Feb by Yuriy Vasilyevich Neyelov, newly appointed acting chief of administration of Yamalo-Nenetsk Autonomous Okrug, recorded by V. Grachev]

[Text] On 14 Feb the editorial office received the edict of the RF president on the appointment of Yu. Neyelov as acting chief of administration of Yamalo-Nenetsk Autonomous Okrug. The very same day Yuriy Vasilyevich decided it was necessary to give a press conference for the journalists of oblast newspapers.

The new top leader of the okrug announced that he prefers to give preemptive answers to inevitable questions related to his new appointment himself. And he spoke with journalists fairly openly without giving an answer to one question: For what specific transgressions was the former chief of administration of Yamalo-Nenetsk Autonomous Okrug, Lev Bayandin, dismissed from the post. "You have to ask those who prepared the edict about that," Yu. Neyelov said diplomatically.

Yuriy Vasilyevich announced that he has in fact already begun to perform his new duties. Today he met with a large delegation from RAO [Russian Joint Stock Company] Gazprom, headed by its manager R. E. Vyakhirev. Yesterday was quite productive. Among other things, the question of the bad situation which has taken shape in Salekhard was closed. There, as our newspaper already reported, residential buildings froze up (read the details in the next issue of TP [TYUMENSKAYA PRAVDA]), and there are other problems related to poor preparation for the winter. Gazprom is allocating money to clean up the consequences of this situation as soon as possible and prevent more problems. There were talks about resolving the problem of lack of payments too, among others on Ukraine's large debt to Novyy Urengoy for gas delivered. A plan has been arrived at—Ukraine settles accounts in goods, the goods are sold, and the money goes to pay off the debt to the gas workers in wages.

The new chief of the okrug administration explained why under the edict he is "only" the acting chief. It turns out that "at the top" this procedure has been established—all the recent appointments to governors' posts have followed this same scheme, and he is no exception.

Yu. Neyelov also reported that he will run as a candidate for deputy to the Council of the Federation in one of the election districts in Yamal which remain vacant.

In answering the question to what degree the new appointments correspond to his personal plans, Yuriy Vasilyevich said that he had already been offered this post twice before and refused. He was persuaded the third time. The situation in the okrug now is bad, but he is a native of Yamal, he grew up here, his grandfather, grandmother, and father are buried here, and his mother lives here even now. He himself was born here. "I am returning to the home of my birth," said Yu. Neyelov.

Will the new chief of the okrug administration fulfill his former duties as deputy chief of the oblast administration as well? That was a very tricky question which was

asked. The answer: If that is even suggested, I will not accept it. I know that talks are in progress on this subject with a very clear ulterior motive, said Yuriy Vasilyevich. I am returning to the home of my birth in order to reinforce its independence even more, but as part of a unified Tyumen Oblast.

The chief of administration was also asked how he intends to build his relations with the all-powerful RAO Gazprom, which has more power in the okrug than the authorities themselves. A year ago this theory would have perhaps been accurate, answered Yu. Neyelov. But now Gazprom is not so very powerful and has no money, but then there are many problems. He shared his interpretation of the paths of development of Yamal, the basis of which is bolstering legislative support for the economy of the Yamalo-Nenetsk Autonomous Okrug. Ninety percent of Russia's natural gas is produced here, and the state does not have the right to refuse to try to solve Yamal problems, subcontracting them out only to joint stock structures. Consequently, a powerful corporation to develop the okrug economy on a mixed basis must be created: with the participation of the state, RAO Gazprom, petroleum associations, and the like. But this must in principle be a state corporation existing around 14-15 percent on deductions for oil and gas, as is customary throughout the world.

And, secondly, we need a state corporation of regional development which works for the needs of the indigenous peoples in the North. The situation in the tundra today is bad, the old system for supporting the indigenous peoples has been destroyed, and a new one has not yet taken shape—and it is now essentially a question of people's survival. After all, Russia signed an international convention on small aboriginal peoples, and hence they have the right to property and land and the right to dividends for using them. Chaotic, one-time injections of capital are not the point and do not solve the problem. Yu. Neyelov stated that he considers the solution to this problem to be his primary job.

To do this the structure of administration will be changed and scientists will be hired; this will also be reflected in the okrug's budget policy.

At the same time, however, Yuriy Vasilyevich noted that he is against the development of ancestral lands. As practice has shown, this results only in conflicts, which are at times bloody, among various groups of the population; other ways to solve the problem must be found.

The phrase "superfluous people must be removed from the North" has now become fashionable. What do you think of that? the new chief of the okrug administration was asked. According to all analyses, the okrug is overpopulated by about 20 percent, he answered. But people certainly cannot be "removed." People, especially those who have given the North many years of their lives and frequently their health, can and must be moved. They must be moved to places which are more accommodating to life, of course, and it must be done so that their lives are normal. RAO Gazprom, among other things, has such a program.

The new chief of administration is against moving the okrug capital from its historical site, Salekhard, to one of the new cities of gas or oil workers. But he is for bringing



treaties with Ukraine, Belarus, and the republics on reinforcing the status of the migrant population in the okrug to a logical conclusion. The question of dual citizenship, for those who want it, and the questions of pensions, housing, and the like must be finally resolved. "We will improve all this only to the benefit of people's normal life," Yu. Neyelov stated.

The very same day the new chief of administration of Yamalo-Nenets Autonomous Okrug flew to Salekhard. And yesterday he took part in the big meeting of RAO Gazprom in Novyy Urengoy—here, as everyone knows, the very same events which occurred in Nadym recently are brewing. Yuriy Neyelov did not return at the best time for the home of his birth. All the more reason we wish him success, good fortune, and good sense in his new and responsible post.

#### **Tatarstan Expects Treaty To Help Economy**

944F0395A Kazan KAZANSKIYE VEDOMOSTI  
in Russian 3 Mar 94 p 3

[Interview with Aleksandr Tarkayev, by A. Ganeyeva; place and date not given: "The Deal Here Was Opportune"]

[Text] The topic of the day throughout the past week continued to be the treaty "Delineation of Terms of Reference and Mutual Delegation of Authority Between Organs of State Power of the Russian Federation and Organs of State Power of the Republic of Tatarstan," which was signed by the presidents of Russia and Tatarstan. This exceptional event is being evaluated by the world community positively, in the main, but within our republic there are various opinions with regard to the document that has been signed.

We looked for comment in this connection from Aleksandr Tarkayev, chairman of the Trade and Industry Chamber of the Tatarstan Administrative Council and director of Dialog—one of Kazan's most important joint ventures.

"I believe that the signing of the treaty by the two presidents was a most important event in the relations of Russia and Tatarstan, more important even than it would appear to all of us, perhaps. I had a call today from a director of our affiliate in Yekaterinburg; he had read about the signing of the treaty in the newspaper. His reaction was as follows: 'How good an example you have set everyone of how it is possible to resolve the most difficult problems in civilized and peaceful fashion and within the framework of legality.' This has, truly, occurred in the CIS for the first time.

"This is the opinion of a person who understands pretty well, but who is not directly involved in political processes.

"The treaty is an example of the victory of common sense. Generally speaking, for me and business people it is not so much the content of the treaty as the mere fact of its appearance that is important. Business people have acquired firm ground beneath their feet, when there are, finally, no questions about separation and secession from the Russian Federation.

"We have truly achieved for ourselves that degree of freedom that we wanted, although with certain cuts, of course, inasmuch as this is a compromise. We would have

liked somewhat more, perhaps. But ultimately each side obtained as much as it was able to bargain for itself in the course of the protracted negotiating process. And there should be no embarrassment at this word, because negotiations are, truly, bargaining. I believe that the treaty will represent a very sound basis for the further rapprochement of Russia and Tatarstan."

[Ganeyeva] What, in your view, will this treaty do for the economy of Tatarstan?

[Tarkayev] Deciding many questions will be far simpler for us now on the basis of this treaty. Today international organizations are investing enormous sums along the lines of every conceivable Western investment fund—the Bank of Reconstruction and Development, the World Bank, and others. And they are moving via the Russian Government—and almost all these resources are passing Tatarstan by. And it is not only a question of money here, but of involvement in particular processes of European structures also.

I have observed repeatedly that Tatarstan is a republic with very strong ties to the defense industry. Our military-industrial complex is, in any event, inseparably tied to Russia's "defense." The settlement of relations with Russia by this treaty will, in addition, provide a base for the future of tens of thousands of people who work in the defense industry. And how their children are fed and clothed will depend to a large extent on the state of the defense industry and, consequently, relations with Russia.

[Ganeyeva] Calling for a boycott of the coming elections, deputies of the Supreme Soviet of Tatarstan from national parties and movements are explaining this by the fact that there cannot be real sovereignty when the leadership of one republic is part of the leadership of another state. What is your attitude toward the elections?

[Tarkayev] I have a positive attitude toward the elections, because Tatarstan has never imagined itself separate from Russia. When the leaders of the national movement tell me that in a separate republic we would create our own Kuwait, I tell them quite sharply: They would, at best, create a Lesotho or Transkei. Never would they create a Kuwait inside Russia and as part of Russia.

I view the treaty positively for the added reason that I believe that it should be on the one hand truly a real subject of election debate and that, on the other, we will see with our own eyes what kind of support the nationalists have in reality.

And, finally, what is most important from the legal standpoint.

What is sovereignty? It is the supremacy of the say of a particular part of the people. If this people approves the treaty and votes in favor of representatives of the republic being part of the Federal Assembly, and if it sends Shaymiyev, Mukhametshin, or Lozovoy there, what is there more to be said in this connection by Bayramova or Tarkayev?

So the coming elections should clear up a great deal and put things in their place.

**Chelyabinsk 1993 Socioeconomic Figures Reported**944F0382A Chelyabinsk CHELYABINSKIY RABOCHIY  
in Russian 9 Feb 94 p 2

[Article prepared by Chelyabinsk Oblast Statistical Administration: "The Socioeconomic Situation of Chelyabinsk Oblast in 1993"]

[Text] The oblast's socioeconomic situation did not stabilize in 1993. By the end of the year there were positive

tendencies in industry (the rates of reduction of production volumes slowed up) and trade (the growth rate of retail commodity turnover in the oblast during the half year surpassed the preceding year's level). But toward the end of the year the situation became more difficult. The results of the year are characterized by a considerable reduction of production volumes and investment activity, a crisis of mutual nonpayments of enterprises, high rates of inflation, and an appreciable decline of the standard of living of the population.

The basic indicators characterizing the oblast's socioeconomic situation in 1993:

	1993 (in actual prices)	1993 in % of 1992 (in comparable prices)
1	2	3
Industrial output		73
Production of consumer goods, billions of rubles	636.5	91
Including:		
foodstuffs	174.2	86
alcoholic beverages	94.8	118
nonfoodstuffs	367.5	89
Capital investments from all sources of financing, billions of rubles	518	80
Startup of residential buildings from all sources of financing, thousands of square meters of overall area	979.9	85
Average daily dispatch of freight by rail transportation (on railroad divisions of Chelyabinsk Oblast), thousands of tonnes	246.9	80
Shipment of freight by general purpose automotive transportation, millions of tonnes	76	53
Procurements of animal husbandry products from all categories of farms:		
cattle and poultry, thousands of tonnes	98.4	94
milk, thousands of tonnes	416	99.5
eggs, millions	573.8	101
Retail commodity turnover of officially registered public catering enterprises, billions of rubles	779.6	81
Paid services, billions of rubles	91.5	71
Exports, millions of dollars	286.3	
Imports, millions of dollars	197.9	
Profit (January-November), billions of rubles	1,118.8	8.7-fold*
Emission, billions of rubles	551.7	10.7-fold*
Per capita monetary incomes (average for month), rubles	38,155	9.2-fold*
Consolidated consumer price index, percent		1,024.6 **

\*—in actual prices

\*\*—December 1993 compared to December 1992

**FINANCES**

Over 11 months enterprises and organizations of the oblast received 1.1188 trillion rubles [R] in profit. As compared to the corresponding period of last year there was an 8.7-fold increase in profit. As of 1 December all branches of the national economy had achieved a positive financial result.

According to the results of their operation, every eleventh enterprise sustained losses. The proportion of enterprises

operating at a loss was great. In computer service—33.3 percent, housing and municipal services—30.8 percent, and publishing houses—50 percent.

As of 1 December 1993 monetary funds in the working accounts of the enterprises and organizations of industry, construction, transportation, and agriculture amounted to R77.1 billion. Of this amount, 82 percent of the money was in industry. On the whole the monetary funds available to the enterprises cover the volume of their defaulted indebtedness to suppliers by only 16 percent.

As usual, the problem of mutual settlements among enterprises remains critical. Credit indebtedness among these branches amounted to R1.717 trillion, of which about 40 percent was defaulted indebtedness. The share of industrial enterprises in the overall volume of defaulted indebtedness by suppliers amounted to 90 percent. Considerable amounts of defaulted credit indebtedness were related to the existence of debit indebtedness.

As of 1 December 1993 debit indebtedness amounted to R1.7907 trillion, of which R758.9 billion (42.4 percent) was defaulted. A large part of it was defaulted indebtedness of buyers—R689.5 billion.

The shortage of financial resources of the enterprises is covered to a considerable degree by bank credit. The overall amount of indebtedness on bank credit in the branches that were examined amounted to R254 billion, including in industry—R143.2 billion (56.4 percent). Indebtedness on loans that were received amounted to R31.2 billion, of which 86.8 percent was in industry.

As a result of the lack of money in the working accounts there continues to be growth of defaulted indebtedness on funds granted for consumption. As of 1 January 1994 this sum in industry, construction, and agriculture amounted to R31.7 million, which is 1.3 times more than during the entire 11 months.

#### PRIVATIZATION

Over the year documents were filled out for the privatization of 1,023 facilities, including 703 municipally owned enterprises (68.7 percent of the overall number of enterprises, 90 owned by the oblast (8.8 percent), and 230 federally owned (22.5 percent).

The overall value of the property of privatized enterprises exceeds R172.1 billion. Privatization is proceeding most actively with municipally owned enterprises.

A total of 255 enterprises are being converted into joint-stock companies—this is one-fourth of the enterprises that submitted documents for privatization. Of the three versions of benefits offered to the labor collectives, preference is given to the second version which enables the labor collective to have a controlling block of shares. This version of benefits was chosen by 70 percent of the enterprises that became joint-stock companies.

About R18 billion in capital was received from privatization, which is 2.4 times more than during the first half of 1993. Most of the capital (about 60 percent) remains on the territory of the oblast.

Last year 183,800 apartments were privatized in the oblast. As compared to 1992 their number increased 1.6-fold. Since the beginning of privatization (1989-1993) 299,000 apartments have been privatized, which is 35.8 percent of the overall number of apartments subject to privatization.

#### LEVEL AND INDEXES OF PRICES AND RATES

The consolidated consumer price index for the full range of goods and services in December 1993 as compared to December 1992 amounted to 1,024.6 percent.

During the course of the year consumer prices and rates rose most rapidly for paid services rendered to the population. In December 1993 as compared to December 1992 they increased 48.1-fold, including services of a legal nature—664.3-fold, of cultural institutions—170.4-fold, and housing and municipal services—60.2-fold.

A decisive impact on the growth of overall consumer prices was made by the change in prices of foodstuffs, which make up a large proportion of them. In December 1993 as compared to December 1992 consumer prices for food products increased 9.1-fold, including vegetables—22.2-fold, potatoes—19.2-fold, eggs—18.3-fold, fruits and vegetables—12.3-fold, bread and bakery items—12.1-fold, and milk and dairy products—11.9-fold. Consumer prices for nonfood commodities increased less than those of food commodities. With respect to this type of goods there were sharp price increases for medications (54.3-fold), household chemical items (20.5-fold), children's footwear (12.4-fold), hosiery items (12.2-fold), rubber footwear (11.7-fold), construction materials (11.5-fold), and knitted underwear (10.9-fold).

The consolidated retail price index for consumer goods of the trade network in 1993 as compared to 1992 amounted to 1,085.6 percent. Prices increased most for nonfood commodities—11.6-fold, including for medications and chemical products—23-fold, glass dishware—19-fold, paper and office supplies—16-fold, rubber footwear and toys—15-fold, passenger cars and leather and textile-combined footwear—14-fold, and headgear, haberdashery, and household chemicals—13-fold.

On the whole in 1993 as compared to 1992 prices of foodstuffs increased 10.4-fold, including for herring—16-fold, meat and poultry—15-fold, canned fish and vegetables—14-fold, sausage items, fish, lard, potatoes, and vegetables—13-fold, margarine and margarine products, milk and dairy products, cheese, tea, salt, and nonalcoholic beverages—12-fold, and canned meats, fruits, and ice cream—11-fold.

The level of prices and rates of services in the sphere of consumer services increased 18.3-fold on average for the oblast during the year. There was a sharp increase in the rates for services of notary institutions (692-fold). The higher prices of food products and municipal, transportation, and health services gave a powerful impetus to the growth of prices for tourist-excursion (18.5-fold) and sanatorium-health resort services (17-fold). During the past year prices and rates of consumer services increased 16.7-fold, of which the cost of dry cleaning services increased 27.4-fold, shoe repair—26.3-fold, ceremonial services—24.7-fold, tailoring of clothing—20.6-fold, and bath services—17-fold. There was a sharp increase in prices for services of institutions of culture (30.8-fold) and public health (13.8-fold). The cost of passenger transportation services increased 27.9-fold. As compared to last year there was an increase in the cost of airline tickets (45.9-fold) and railroad tickets (19.6-fold), and the cost of passenger travel on urban commuter transportation increased 11-fold. There were appreciable increases in prices of communications services (10.8-fold) and housing and municipal services (9.6-fold).



The consolidated wholesale price index for industrial products for the set of representative commodities in December 1993 as compared to the preceding month was 107.8 percent, and compared to December 1992—1,034.5 percent. Throughout the entire year there was a growth of wholesale prices in the food, meat, and dairy industry. In October the maximum growth of prices was observed in the bread baking industry (the index as compared to last month was 201.5 percent), and in December there was a considerable increase in the butter and fat industry (146.7 percent). The increase in wholesale prices in all branches of industry brought about an inevitable increase in retail prices, which, in turn, raised the cost of the consumer basket.

### THE SOCIAL SPHERE

**Labor placement and employment of the population.** In 1993, 54,200 citizens looking for work applied to the employment service regarding placement, 89.6 percent of which were not engaged in labor activity, 4.1 percent—pensioners, 5.2 percent—students wanting to work during their free time, and 1.1 percent—employed population.

As of 1 January 1994 there were 17,900 registered as unemployed in the oblast, 63.4 percent of whom are receiving unemployment compensation. In terms of length of unemployment, 36.2 percent of the unemployed have not been working for from one to four months, and 69.4 percent of them are receiving unemployment compensation.

During the year 2,900 unemployed citizens received occupational training through the employment service, and 1,600 of them (55.2 percent) were placed in jobs upon completion of training.

As of the beginning of 1994, 1,066 enterprises reported the layoff of 15,300 workers, while 773 enterprises reported a need for workers to fill vacancies (vacant positions)—3,800. The number of workers laid off exceeded the need for work force fourfold.

Certain branches of the economy have part-time employment. During January-September in industry, construction, transportation, scientific institutions, and consumer services additional leave on the initiative of the administration was assigned to 127,700 workers. As of 1 October 1993 the number of people working part time in production was 45,100.

**The number of workers.** During November the average registered number of workers in all branches of the economy was 1,388,200, which is 45,300 less than during the corresponding period of last year.

**Monetary incomes and expenditures of the population.** In 1993 the monetary circulation under the conditions of the further deepening of inflation processes and the decline of public production did not improve. According to working figures, monetary incomes increased in 1993 by R1.4796 trillion or 9.2-fold as compared to 1992, and reached R1.6603 trillion. Consumer expenditures rose by R767.6 or 8.1-fold and amounted to R867.4.

According to figures from the Central Bank of the Russian Federation for Chelyabinsk Oblast, issuance (the transfer of monetary funds from reserve to circulating) increased

10.7-fold as compared to 1992 and reached R551.7 billion in 1993. During the year payments of wages increased 9.3-fold and amounted to R836.6 billion, the issuance of incentive payments, monetary and other payments—10.5-fold, and stipends—7.2-fold.

The average monthly wages during January-September increased each month by an average of 20 percent, in October as compared to the preceding month—by 17 percent, and in November—by 8.8 percent. During nine months of last year the growth rate of wages was higher than the growth rate of prices and in the fourth quarter the growth rate of prices outstripped the growth rate of wages.

In November the average monthly wages in the economy of Chelyabinsk Oblast amounted to R109,865 and wages at agricultural enterprises, forestry enterprises, and institutions of science and public education were almost 50 percent less.

The highest growth rates of average monthly wages in November as compared to an analogous period of 1992 were in institutions of public education—13.1-fold, although the average monthly wages were not high—R64,609, and in computer service organizations—12.7-fold.

The proportion of consumer expenditures in the overall sum of expenditures decreased from 83.5 percent in 1992 to 78.1 percent in 1993. As compared to 1992 there was a considerable increase in mandatory payments and voluntary contributions (11.3-fold) and an increase in the savings of the population in deposits and securities (12-fold) and expenditures of the population on paid services (10.3-fold). In terms of average per capita monetary income the process of stratification of the population is continuing. While in the third quarter of 1993 most of the families (71.7 percent) were in 10 groups with incomes from R20,000 to R70,000, in the fourth quarter 43.2 percent of the families were in these groups. The proportion of families with incomes from R70,000 to R100,000 increased from 12.5 to 25.4 percent, and over R100,000—from 8.2 to 30.2 percent.

**The consumer goods and services market.** The oblast produced consumer goods (including alcoholic beverages) valued at a total of R636.5 in current prices. As compared to 1992 their output decreased by R59.7 billion or 8.6 percent.

The output of food products decreased by R28.6 billion or 14.1 percent. Meat production decreased by 11,500 tonnes, sausage items—by 5,763 tonnes, semimanufactured meat products—by 1,821 tonnes, butter—by 154 tonnes, whole milk products—by 4,738 tonnes, canned goods—by 5,344,000 standard cans, cereals—by 4,712 tonnes, bread and bakery items—by 42,900 tonnes, confectionery items—by 1,929 tonnes, macaroni items—by 8,713 tonnes, and margarine products—by 10,800 tonnes. There was an increase in the output of fatty cheeses, mayonnaise, and nonalcoholic beverages. The production of alcoholic beverages increased by 18.2 percent measured in monetary value. The output of vodka and liquor items increased by 140,000 decaliters or 2.8 percent.

During the past year a total of R367.5 billion worth of nonfoodstuffs, including light industry goods, were produced, which is 11.1 percent less than during the preceding year.

The population of the oblast acquired 19 percent less goods (in comparable prices) than in 1992.

**Education.** As of the beginning of the 1993-94 school year in the oblast there were 11 higher educational institutions, one branch of the Moscow Commercial University, and 71 secondary specialized educational institutions.

In 1993 two tekhnikums were closed. The Magnitogorsk Higher Music School was transformed into a music pedagogical institute. Among the secondary specialized educational institutions there are 15 colleges, nine of which acquired the status of a college in 1993.

Some 9,000 specialists with higher education and 14,900 with secondary specialized qualifications were sent to the branches of the oblast economy in 1993. Of the overall number of graduates, 32 percent of the VUZ [higher educational institution] specialists and 50 percent of the tekhnikum graduates were not placed in jobs. The list of unemployed was increased by 499 specialists with higher and secondary specialized qualifications.

The admission of students into VUZ's during the year decreased by 100 and amounted to 10,600 students while admissions to tekhnikums increased by 300 (18,700 students). The competition amounted to 1.7 and 1.6 people per space, respectively.

During 1993, 54 children's preschool institutions were closed. The main reasons for the closure of kindergartens and day nurseries were the inadequate number of children, the dilapidated conditions of the buildings, and the high parental payments. The buildings of the closed preschool institutions were made into hotels, residences, dormitories, warehouses, offices, and banks. More than 10 percent of these premises are empty.

**Health protection.** The number of hospital beds in medical institutions as of the end of the year was 48,100, which was 134 beds for every 10,000 residents. For every 10,000 residents of the oblast there is an average of 36 physicians and 101 people working as intermediate medical personnel.

#### MATERIAL PRODUCTION

**Industry.** The production volume (in comparable prices) decreased by 20.6 percent as compared to the preceding year. The tendency toward retardation of the decline of production that was observed toward the beginning of last year continued until November. During the last two months of the year there was a significant reduction of production, in November—by 24 percent and December—by 26.9 percent.

Each month during the year at an average of 35 enterprises there were lengthy production shutdowns (in November and December at 53 and 63 enterprises, respectively). During the year the losses of working time for this reason amounted to 2.5 million man-days or 12.5 percent of the scheduled working time. More than half of the shutdowns of enterprises last year were related to difficulties in selling products and about one-third to lack of provision of

material resources. As a result of the lengthy shutdowns of enterprises and productions during the year, R63.2 billion worth of products were not produced.

Labor productivity in industry decreased by 15.8 percent. The number of industrial production personnel amounted to 559,000 and decreased by 32,000 or 5.4 percent. The average monthly wages of workers in basic production in industry were R84,800, including in December—R146,200.

Industrial enterprises of the oblast failed to deliver to consumers R134.7 billion worth of products under agreements that were concluded. The greatest arrears in product deliveries were found in enterprises of the metallurgical complex—97.9 percent of all the indebtedness.

In the fuel and energy complex with an overall reduction in production volume of 2 percent, the output of electric energy decreased by 7.8 percent and coal extraction—by 1 percent.

**The agro-industrial complex.** The volume of gross agricultural output (in comparable prices) on all categories of farms, according to preliminary calculations, decreased by 6.6 percent during the year. The reduction of volumes occurred mainly on public farms. On private subsidiary farms of the population the volume of products produced exceeded last year's level by 3.6 percent, and on peasant farms—by 1.6-fold.

Labor productivity dropped by 8.6 percent and 210 agricultural enterprises ended the year with a profit, while 65 ended it with losses. During the year the farms received R15.4 billion in profit. The profitability level was 14.8 percent.

As a result of the reduction of the planted areas and the reduction of productivity in 1993 as compared to 1992 there was a reduction of the gross yield of grain crops from 2,781,300 tonnes to 1,817,700 tonnes (65.4 percent), potatoes—from 634,900 to 503,700 (79.3 percent), and vegetables—from 131,200 to 111,800 tonnes (85.2 percent).

The farms of the oblast stored up 16,500 tonnes of potatoes (39.5 percent of the 1992 level) and 36,500 tonnes of vegetables (63.1 percent). The annual volumes of mandatory deliveries of potatoes were fulfilled by 30.1 percent, of vegetables—by 66.4 percent.

In 1993 there was a certain slowing up of the decline of the production of animal husbandry products at agricultural enterprises: During the report year they produced (sold for slaughter) 128,500 tonnes of cattle and poultry in live weight (95.5 percent of the 1992 level), 512,000 tonnes of milk (99.4 percent), 639 million eggs (94.5 percent), and 1,504 tonnes of wool (105.6 percent).

On average from one cow the farms of the oblast obtained 165 kilograms (8.1 percent) of milk more than in 1992. The average yield of wool from one sheep increased by 0.7 kilograms (21.9 percent). The averagedaily weight gain of cattle being fattened increased by 80 grams (24 percent), for hogs it dropped by 35 grams (11.5 percent), and the egg production of laying hens decreased by five eggs (2 percent).

The number of head of the main kinds of livestock continues to decrease. During last year the number of

cattle decreased by 8.2 percent and amounted to 640,800 head, including cows—by 6.4 percent (221,500 head). The number of hogs decreased by 12.5 percent (262,500 head), and sheep—by 12.6 percent (330,600 head). The number of head of poultry increased by 4.5 percent and amounted to 7,772,600. A smaller number of calves and piglets were born. The maintenance of the main kinds of livestock improved.

During the past year state resources have acquired 98,400 tonnes of cattle and poultry (94.2 percent of the 1992 level), 416,000 tonnes of milk (99.5 percent), 573.8 million eggs (101 percent), and 813 tonnes of wool (94.4 percent). The annual volumes of mandatory deliveries of cattle and poultry were fulfilled by 108.1 percent, milk—by 104 percent, and eggs—by 140 percent. State procurements of cattle and poultry increased in seven rayons and cities of the oblast, and milk—in 12.

By 1 January 1994 in the oblast there were 7,022 peasant (farmer-run) farms with an overall area of land granted to them of 409,600 hectares (an average of 58.3 hectares per farm). The re-registration of the sovkhozes and kolkhozes is continuing. During the year 259 farms were re-registered, of which only 29 (11.2 percent) retained their status.

The scale of rural construction continued to decrease in 1993. The volume of capital investments in the development of the agro-industrial complex was R72 billion and decreased as compared to 1992 by 27 percent. During the year facilities were introduced to accommodate 1,050 cattle, 140 hogs, and 400 sheep, and 79 kilometers of roads were built. The introduction of animal husbandry facilities, silage and haylage structures grain storage facilities, and roads decreased three- to fourfold as compared to last year.

**Capital construction.** Only one-fourth of all the startup facilities and capacities were introduced. Facilities were not introduced at plants of the processing branches, nor were capacities for producing consumer goods, machine-building and metallurgy facilities, or water and air purification facilities at many industrial enterprises. The startup of fixed capital amounted to R200 billion.

During the year R518 billion was invested in the economy. This is 20 percent less than in 1992 and almost 50 percent less as compared to 1989 or 1990. Expenditures of state enterprises and organizations in the overall volume of capital investments amounted to R205 billion (40 percent) and R303 billion (58 percent) came from joint-stock companies and limited liability partnerships. Internal capital of enterprises and organizations made up 70 percent of the overall volume of capital investments.

Enterprises and organizations with all forms of ownership assimilated R154 billion in centralized capital investments during the year (30 percent of all the funds), including from the republic budget—R52 billion and the local budget—R79 billion.

The proportion of capital investments in production construction amounted to 58 percent and nonproduction construction—42 percent.

The process of destatization accelerated in the construction complex. The greatest development was in mixed and private forms of ownership. Of the overall volume of contracting work performed, 57 percent was performed by

organizations with the mixed form of ownership, 29 percent—by organizations with a private form of ownership, and only 14 percent—by state organizations.

During the year construction organizations with all forms of ownership performed contracting work for a total of R350 billion.

A total of R216 billion in capital investments or 42 percent of the overall volume went for the construction of facilities in the social sphere. Almost two-thirds of these funds was used for housing construction. Residential buildings with an overall area of 980,000 square meters were put into operation. New apartments were assigned to 16,600 families.

As compared to 1992 the startup of housing decreased by 15 percent and as compared to the average annual startup during the period of 1986-1990—by 40 percent. The scale of housing construction in the oblast dropped to the level of the beginning of the 1950's.

Funds belonging to the population of the oblast were used for the introduction of 66,000 square meters of residential space, or 7 percent of the overall amount introduced. Of this area 26,000 square meters were constructed by housing construction cooperatives and 502 buildings with 40,000 square meters—by individual builders. For military servicemen in the oblast, 529 new apartments with 29,000 square meters were introduced. For rural residents, 152,000 square meters of dwelling space was introduced, which was 31,000 less than during the previous year.

The following were introduced in the oblast during the year: 20 general educational schools to accommodate 9,836 children, 10 preschool institutions to accommodate 1,370, and 4 polyclinics capable of handling 590 visits [per shift], 36.7 km of running water lines, 6.6 km of sewage lines, 186.4 km of gas lines, and 20 km of heating networks. Of these, the following were introduced in rural areas: 20 schools to accommodate 2,340 children, 5 preschool institutions to accommodate 470, and 2 polyclinics capable of handling 140 visits, 26.5 km of running water lines, 170 km of gas lines, and 15.5 km of heating networks.

A total of R16 billion was used for measures to clean up after radioactive pollution in the oblast. These funds were used to introduce for the population of the regions that suffered from this residential buildings with an overall area of 42,000 square meters, schools to accommodate 120 children, a kindergarten to accommodate 140, and a polyclinic capable of handling 100 visits.

In 1993, R4.2 billion in capital investments was used for building the Chelyabinsk subway and construction and installation work valued at a total of R2.5 billion was performed.

**Transportation and communications.** The volumes of freight shipments decreased on all kinds of transportation. In 1993 as compared to 1992 shipment of freight by rail transportation decreased by 20 percent, and by automotive and air transportation, by 47 and 45 percent, respectively.

Most of the passenger transportation was conducted by municipal automotive transportation enterprises. In 1993 buses transported 508 million passengers, or 90 percent of the number in 1992.



Transportation service for the population is not improving. During 1993 in Chelyabinsk alone up to 12 percent of the bus trips on city routes and 6 percent of the trolley trips were not made.

On rail transportation during the year 735 passenger trains (3.3 percent) arrived late and the average time of delay was 1.6 hours. On domestic airlines the arrival time of every fourth flight into the Chelyabinsk airport was in violation of the schedule.

During 1993 communications enterprises rendered the national economy and the population services in a volume of R27 billion, which is more than 10 times more than last year. The rates for communications services increased 10.8-fold as compared to 1992.

There was a considerable reduction of the delivery of newspapers and magazines—by 52.7 percent, letters, cards, and printed material—34.2 percent, and money transfers—39.1 percent. More than 4 percent of letters arrive late. Postal dispatches are lost and stolen. During 1993, 35 cases of loss and theft valued at R25,300 were registered.

The quality of the work of telephone communications remains poor.

#### FOREIGN ECONOMIC RELATIONS

During the year R487 billion worth of products were delivered for export, of which R211 billion (43 percent) were delivered for freely convertible currency.

The greatest volume of exports was from ferrous metallurgy enterprises—76 percent or R369 billion, and machine building—11.5 percent or R56 billion.

The proportion of exports of raw and processed materials was 91.8 percent, and machines and equipment—3.9 percent. We exported 4.1 million tonnes of ferrous metals, 5,276 tonnes of nickel, 10,000 tonnes of zinc, 421 bulldozers, 962 motor vehicles, and other products.

Enterprise accounts received from exporting products and services \$392 million or 92 percent of the overall foreign currency revenues.

#### Khabarovsk 1993 Sociopolitical Figures Reported

944F0363A Khabarovsk TIKHOOKEANSKAYA ZVEZDA  
in Russian 5 Feb 94 p 2

[Report by Khabarovsk Kray Statistical Administration: "The Socioeconomic Situation of Khabarovsk Kray in 1993"]

[Text] In 1993 we did not succeed in halting the decline of production volumes in industry, agriculture, and capital construction. The volume of industrial production dropped by 22 percent, agriculture—by 9 percent, and the volume of investments—by 26 percent.

As of 1 December 18.7 percent of the enterprises and organizations of the kray were operating at a loss.

The socioeconomic situation of Khabarovsk Kray in 1993 is characterized by the following basic indicators:

	January-December 1993	January 1993 in percentage of December 1992
Volume of industrial production, billions of rubles—in comparable prices	1,216.1	78.0
Capital investments used, billions of rubles	263.5	74
<b>Introduced, from all sources of financing</b>		
—housing, thousands of square meters of overall space	431.3	105
—general educational schools, places	2,530	146
—polyclinics, visits per shift	173	33
<b>Shipped by general purpose transportation:</b>		
—freight, thousands of tonnes (not including sea)	31,639.1	68.3
—passengers, millions (not including sea, rail transportation)	251.1	94.4
<b>Overall volume of retail commodity turnover, including public catering, millions of rubles</b>		
—in comparable prices	39,602.0	86.2
<b>Volume of paid services, millions of rubles</b>		
—in comparable prices	3,229.0	49.6
Per capita monetary incomes, thousands of rubles	703.6	
Free consumer price index (not counting goods that are not necessities)		1,139.3
—exports, millions of dollars	316.0	
—imports	349.0	
Profit in national economy (during January-November), billions of rubles	372.1	

#### FINANCES

As of 1 December the national economy had received

about 370 billion rubles [R] in profit. Industry accounted for 54 percent of all the profit received. The proportion of enterprises operating at a loss remains high. In industry 15 percent of the enterprises are operating at a loss, in construction—6 percent, in housing and municipal services—41 percent, and in consumer services—47 percent.

The financial position of the enterprises is complicated by the deepening nonpayments crisis. Among the enterprises and organizations of industry, construction, transportation, and agriculture that were studied, as of 1 December 1993 defaulted indebtedness to suppliers amounted to R135.8 billion and had increased by 29 percent as compared to the preceding month. At the same time the volume of defaulted indebtedness of buyers and clients to these enterprises amounted to R237 billion or 54 percent of the overall indebtedness of buyers, including to industrial enterprises—R193 billion.

### PRIVATIZATION

As of 1 January 1994, 939 enterprises had been privatized in the kray, including 618 during 1993, which is twice as many as in 1992. In the structure of privatized enterprises there is a predominance of enterprises of trade (30 percent of the overall number), industry (23 percent), and consumer services (24 percent).

During 1993, 165 enterprises were privatized through the creation of joint-stock companies.

Of the three versions of benefits offered to the labor collectives, preference is given to the second, which allows them to own a controlling block of shares (81 percent).

"Small-scale" privatization is carried out mainly through sale in commercial competition (54 percent of the overall number privatized), at auctions (10 percent), and through the purchase of leased property (7 percent).

The overall earnings from privatization during 1993 amounted to R13.6 billion and 619,700 privatization checks.

The process of privatization of housing continued in the kray last year. During 1993, 74,800 apartments were sold for private ownership of citizens, which is three times more than during 1992.

The average size of privatized apartments was 50.3 square meters. The largest numbers of apartments turned over for private ownership of citizens were in Khabarovsk—23,465 and Komsomolsk—18,942, and the following rayons: Amurskiy—7,847, Sovetsko-Gavanskiy—4,403, and imeni S. Lazo—2,925.

### LEVEL AND INDICES OF PRICES AND RATES

The high growth rate of prices continued in 1993.

The growth of wholesale prices in industry and procurement prices in the agro-industrial complex had an impact on the growth of consumer prices. In December 1993 as compared to December 1992 the consumer price index (inflation index) was 1,123.3 percent. Prices of foodstuffs increased 11.3-fold after the beginning of the year. The highest rates of increase in prices were noted during July-August (July—39 percent, August—37 percent). In December the growth of food prices slowed up and amounted to 12.8 percent of those of the preceding month.

Since the beginning of the year there has been more than a 14-fold increase in the cost of beef, mutton, sausage items, bread and bakery items, caramel, fresh cabbage, mineral water, and ice cream; 10-12-fold increase in pork, poultry meat, salami, macaroni items, cheeses, eggs, mayonnaise, semolina, and beer; seven- to ninefold increase in vegetable oil, flour, margarine, pastries, spices, frozen fish, onions, and carrots; sixfold increase in sugar, fats, rice, cocoa, chocolate, and honey; and four- to fivefold in butter, cottage cheese, buckwheat, peas, tea, instant coffee, starch, canned vegetable baby food, and beets. The price of potatoes went up considerably—43-fold.

At city markets in December beef cost 1.5 times more than in city trade, milk—three times more, sour cream—4.5 times more, and curds—1.4 times more.

Prices of nonfoodstuffs rose 10.8-fold compared to December 1992. Thus fur and fur items increased in cost 18-fold; silk fabrics—13.5-fold; cotton fabrics, women's and children's clothing, children's footwear, furniture, and construction materials—10-12-fold; outer knitwear, hosiery items, and men's footwear—ninefold; women's footwear, perfume, haberdashery, watches, jewelry items, and printed publications—seven- to eightfold; electrical goods, radio goods, and rugs—four- to sixfold.

Prices and rates for paid services rendered to the population increased 22.9-fold, which is twice the growth rate of prices of consumer goods. For example, laundry services were 46 times more expensive, bath services—32 times, mending of sewn items and television sets and photography services—26-27 times, barber and religious services—24 times, and custom tailoring of sewn items and dry cleaning services—17 times. The greatest cost increases were for long-distance telephone calls—113-fold, housing and municipal services—119-fold, and services of a legal nature and of banking institutions—356-fold.

Wholesale prices of industrial products produced by enterprises of the kray had increased 10.4-fold in December 1993 as compared to December 1992, including by 3.8 percent during December.

There were significant price increases in branch of lifting and transport machine-building—12.4-fold and in diesel construction—11.5-fold. The cost of producing construction materials increased ninefold, electric energy—sevenfold, and machine tool building—7.6-fold.

Prices for the production of consumer goods continued to increase. In the timber and sewing industry they increased 15.5-fold, and leather haberdashery—11-fold. In the food industry the greatest rates of growth of wholesale prices were found in: the dairy industry—15.3-fold, meat—13.3-fold, confectionery—12.4-fold, wine making—12.1-fold, and bread baking—10.9-fold.

The growth of rates for freight transportation were 18.7 times greater in December 1993 than in December 1992. The largest increase during the year was in the rates for rail transportation—22.5-fold, and automotive and air transportation—9.2-fold.

### THE SOCIAL SPHERE

**THE DEMOGRAPHIC SITUATION.** As before in the kray the birth rate is dropping while the death rate is

simultaneously increasing, which does not provide even for simple reproduction of the population.

According to preliminary figures, as of 1 January 1994 the population of the kray was 1,607,200, which is almost 1 percent or 13,800 less than last year.

The number of births during 1993 was 15,500, and deaths—about 20,000. Thus natural population loss amounted to 4,500.

The number of births per 1,000 population dropped by approximately 12 percent compared to the preceding year and amounted to 9.6, while the number of deaths by the same count increased by 18 percent and amounted to 12.3.

The main causes of death among the population continue to be cardiovascular diseases (51 percent of all deaths), accidents and poisoning (23 percent), and tumors (14 percent). It should be noted that the death rate from tuberculosis among the population in the kray is rising. As compared to 1992 the number of deaths from this cause increased by 30 percent and is now 250.

The death rate of children under one year of age is increasing. In 1993, 19 out of every 1,000 newborns died, and in 1992 this figure was 16.

In 1993, 11,724 marriages were registered and 9,130 divorces were filed. As compared to 1992 the number of marriages decreased by 0.2 percent and the number of divorces increased by 1 percent.

There is an outflow of population outside the kray. In 1993, 28,467 people came to the kray and 38,068 left, and the migration balance was minus 9,601.

**LABOR RESOURCES.** The overall number of people employed in the kray's economy in 1993 was 584,700, decreasing by 5 percent as compared to last year. There was a considerable reduction of the number of people working in planning and scientific organizations, industry, and construction as compared to last year. There was an increase in the number of people employed in administrative organs, public education, and financial institutions.

During the period since the beginning of the year 15,000 people have been discharged because of layoffs. About 8,400 people are working part-time and are potentially unemployed. Partial unemployment affected 32,200 people, including from industry—19,300 (60 percent), construction—8,900 (27.6 percent), and transportation—3,700 (11.4 percent). The overall number of leaves initiated by the administration amounted 764,100 man-days.

The overall number of people without work who were actively seeking it at the end of 1993 was 24,900 or 3.4 percent of the economically active population. At the present time 5,794 people or 0.8 percent of the economically active population have the official status of unemployed, and during the year their number almost doubled. The majority of those registered as unemployed are

women. As of the end of the year there were 4,685 of them, or 81 percent. Youth under 30 years of age make up almost 34 percent of the unemployed. The average length of unemployment in 1993 was four months, but for 246 people (4 percent) the period of unemployment exceeded 12 months. Unemployment compensation is being received by 3,615 people (62 percent).

The local employment services and the kray employment center are working to render aid to the unemployed population and laid-off workers in acquiring job skills or changing their qualifications, taking into account the change in demand on the labor market.

In 1993, 1,335 people were sent for occupational training, including 871 under 30 years of age. Occupational training was given to 684 people, of whom 23 percent were in training for the first time and 76 percent were going through retraining. Of those who went through occupational training, only 494 or 72 percent found jobs.

**INCOMES OF THE POPULATION.** Monetary incomes of the population during 1993 amounted to R1,100 billion and as compared to 1992 increased 10-fold in nominal value. Of the overall sum of monetary income, the population spent about R600 billion on goods and services, which is 10 times more than last year; the population paid taxes, various fees, and other kinds of outlays for a total of R180 billion, and R50 billion was deposited into accounts for investments and used to acquire securities.

The average monthly earnings of workers employed in the kray's in 1993 amounted to R95,700 and had increased 11-fold as compared to the same period of last year. In December the average earnings of workers amounted to R234,900 and increased by 34 percent as compared to the preceding month.

In spite of the measures taken to increase wages of workers in budget-financed organizations, labor compensation for workers in public health, public education, science and scientific service, culture and art is almost 60 percent lower than labor compensation for workers employed in the sphere of material production.

In 1993 the best paid were workers of banks and insurance companies (R265,800) and air and rail transportation (R157,300 and R135,700, respectively). Last year the least was received by workers of science and scientific service (R58,600) and art (R57,600).

Payments of a social nature (material aid, etc.) on average per worker in December amounted to R18,800 and had increased 38-fold as compared to the beginning of the year. Taking these payments into account, the income of one worker in December amounted to R253,700.

**THE CONSUMER GOODS AND SERVICES MARKET.** The production of consumer goods decreased by almost 10 percent. The output of the main kinds of food products is characterized by the following figures:



	Actually produced	1993 in % of 1992
Meat, including subproducts of category I, tonnes	15,283	81.5
Sausage items, tonnes	13,355	87
Semimanufactured meat products, tonnes	1,970	93
Whole milk products, tonnes	65,106	77
Canned fish, thousands of standard cans	9,695	133
Canned fruits and vegetables, thousands of standard cans	4,088	86
Flour, tonnes	170,672	78
Cereals, tonnes	22,622	68
Bread and bakery items, tonnes	140,555	91.5
Confectionery items, tonnes	29,860	98
Macaroni items, tonnes	9,131	76
Margarine products, tonnes	11,094	56

The production of alcoholic beverages decreased by 9 percent.

The situation is not the best in branches that produce light industry products. The shortage of their own circulating capital caused by difficulties with selling products and nonpayments by the customers make up one of the main factors involved in the reduction of production volumes. The annual commodity turnover in public catering in the kray in 1993 came to R463 billion. In the mass of commodities the population received 14 percent less than in 1992.

The nonstate sector is beginning to play an ever greater role in it. The share of the private sector in commodity turnover increased from 4 percent in 1992 to 16 percent according to the results of 1993.

In the structure of commodity turnover there was some increase in the proportion of nonfoodstuffs, which reached 38 percent as against 36 percent a year ago.

The satisfaction of the needs of trade for certain kinds of goods is gradually improving. The supply of bread, flour, cereals, and dairy products is basically proceeding normally. At the same time the assortment and quality of the products and their prices do not always meet consumer demand. Items made of natural fur, coats, suits, television sets, and other goods for cultural and personal purposes and household use are always for sale. But the market is being filled to a considerable degree by deliveries from abroad.

The volume of sales of paid services during 1993 amounted to a total of R82 billion, which is about 50 percent in comparable prices for 1992.

**EDUCATION.** During the past school year there were 507 day general educational schools in operation in the kray (234,000 students), of which 129 were schools with in-depth study of various subjects (18,900); their number almost doubled, and there are 11 gymnasiums (8,100) and nine lyceums (2,100) in operation.

There is one nonstate school in operation (59 students).

In regions where people of the North reside there are 4,100 children of small ethnic groups of the North attending 131 schools.

As in previous years, every third student attends the second shift but, additionally, the kray has 10 schools that operate on three shifts. The technical condition of the schools undoubtedly has an impact on the quality of the education. In the kray there are 157 schools (31 percent of the overall number) accommodating a total of 57,200 which are in need of capital repair, and 40 schools (7.8 percent) accommodating 13,900 which are in dilapidated condition.

In 1993 in the VUZ's [higher educational institutions] and secondary specialized educational institutions of the kray, 6,300 and 6,100 specialists were trained, respectively. Many graduates of day divisions experienced difficulties in finding employment since only half of them had been placed in jobs.

**CONDITION OF THE ENVIRONMENT.** The condition of the environment has a very great influence on human health. The ecological situation in the kray remained grim last year. There were 34 cases of flooding, and other overflows and discharges of pollutants were revealed, the total damage from which was R130 million (of which 95 million—73 percent—was damage to land resources).

Ecological violations constituted grounds for bringing administrative charges against 564 people and criminal charges against three. The total fines collected amounted to R58 million. The production activity of eight facilities was halted because of violation of the requirements of environmental protection legislation.

Capital investments totaling R6.5 billion were used for measures for protection of the environment and efficient use of natural resources.

**LEGAL VIOLATIONS.** During 1993 internal affairs organs in the kray registered 47,600 crimes, which was 2.7 percent more than in 1992. Almost one-sixth of the crimes were heinous.

There were 454 murders or murder attempts (11.8 percent more).

Public places were the scene of 12,200 crimes, including 7,200 on the streets, the increase amounting to 3.3 percent and 9.6 percent, respectively.

The number of crimes committed in an intoxicated condition increased by 23.9 percent, with a total of 8,693 of them.

The number of crimes involving theft of private property decreased by 5.2 percent, including from apartments—by 3.2 percent.

There were 258 cases of grand larceny.

About 4,000 group crimes were registered (an increase of 7.3 percent).

A total of 23,600 people were arrested for crimes.

The greatest rise in crime was observed in Ayano-Mayskiy—60.6 percent, Vikinskiy—27.5 percent, imeni S. Lazo—27 percent, and Verkhneburennskiy—19.4 percent—rayons in the kray.

### MATERIAL PRODUCTION

**INDUSTRY.** The volume of industrial production decreased by 22 percent in 1993, including in December—by 40 percent.

In branches operating in the consumer market the reduction of the output of products in December amounted to 14 percent, and in those that produce products for production and technical purposes—43 percent.

Each month certain productions are suspended at 30-40 enterprises of the kray, resulting in a loss of working time during the year of 948,700 man-days, 54 percent of which were losses related to difficulties with selling the products and 41 percent because of the lack of raw and processed materials.

In electric energy engineering the production volume decreased by 4.5 percent in 1993, and in the fuel industry—by 27 percent. The amounts of coal extracted and gasoline produced were 22 percent less than in 1992.

Enterprises of the metallurgical industry extracted 2 percent more gold than in 1992. They smelted 12 percent less steel and 34 percent less rolled metal was produced.

In machine building there was a sharp drop in production in December, and during the year as a whole the output of products decreased by 27 percent. There was a considerable decrease in output by enterprises of the shipbuilding industry, the Daldizel Plant, the plant for lifting and transport equipment, the Splav and Amurlit mash plants, the machine tool building plant, and Dalenergomash.

Enterprises of the timber, wood-processing, and pulp and paper industry reduced their production volume by 24 percent, including commercial timber—27 percent, lumber and plywood—40 percent, chipboard, fiberboard, and pulp—44 percent, and composition board—5 percent.

In the construction materials industry the output of brick decreased by 13 percent, prefabricated reinforced concrete elements—by 22 percent, and soft roofing materials—by 65 percent.

**THE AGRO-INDUSTRIAL COMPLEX.** According to preliminary figures the volume of gross agricultural output was R290.7 million, including crop growing products—R110.4 million. As compared to 1992 the volume of gross output decreased by R28.4 million (9 percent).

Labor productivity in public agriculture decreased by 8 percent.

The number of farms operating at a loss increased from 35 in 1992 to 43 in 1993. Losses in agricultural production amounted to 16.2 percent as against 2.8 percent in 1992.

As compared to 1992 grain production increased by 23 percent, potatoes—19 percent, soy beans—67 percent, and vegetables decreased by 22 percent.

The plan for procurements of all kinds of feeds was not fulfilled. On the kolkhozes and state agricultural enterprises for every one conventional head of cattle they prepared 15.5 quintals of feed units as against 15.8 in 1992.

Less was procured of the following: potatoes—by 1 percent, vegetables—by 27 percent, and fruits and berries—by 19 percent.

All categories of farms sold 50,900 tonnes of cattle and poultry in live weight for slaughter (less than in 1992 by 12 percent), they produced 105,000 tonnes less milk (5 percent) and 362.4 million fewer eggs (18 percent).

The average milk yield per cow on the kolkhozes, sovkhoses, and state agricultural enterprises was 2,104 kilograms, and the egg production per laying hen was 217 eggs (increases of 5 percent and 7 percent, respectively).

According to data from the livestock count, as of 1 January 1994 on all categories of farms there were 107,300 head of cattle, including 45,200 cows, 268,500 hogs, 6,500 sheep and goats, and 500,830,000 head of poultry. As compared to 1992 the number of cattle decreased by 5,800 head, including cows—by 2,800 head, hogs—by 43,800, and poultry—by 279,100, and the number of sheep and goats increased by 400 head.

The reduction of the number of head of livestock occurred as a result of their reduction at agricultural enterprises.

On farms belonging to the population the number of head of cattle increased by 4 percent, including cows—by 6 percent, and the number of hogs decreased by 16 percent.

For purposes of the development of subsidiary farms, agricultural enterprises of the kray sold the population 10,100 head (24 percent less than in 1992) and 634,000 head of poultry (39 percent).

On all categories of farms 30,000 tonnes of cattle and poultry (in live weight) were purchased along with 54,200 tonnes of milk, which were 4 percent and 5 percent, respectively, more than last year. The quantity of eggs purchased was 12.4 million or 5 percent more.

As of 1 January 1994 in the kray there were 1,818 peasant (farmer-run) farms. They were granted 45,000 hectares of land (an average of 25 hectares per farm).

Since January 1992, 184 peasant farms have terminated their activity, 68 of the farms being located in the rayon imeni Lazo, 19—in Khabarovskiy, and 15—in Ulchskiy.

In 1993, 1,400 hectares of land were allotted to 7,900 families for collective orchards and 1,900 were allotted to 55,200 families for kitchen gardens.

**CAPITAL CONSTRUCTION.** In 1993 enterprises and organizations with all forms of ownership utilized R263.5 billion in capital investments. As compared to the preceding year the volume of investments decreased by 26 percent. Facilities for production purposes utilized R132.1 (37 percent less).

Of the overall volume of capital investments, expenditures of state enterprises and organizations amounted to R171 billion (65 percent), 67.5 billion of which was their own; leasing enterprises spent R7.7 billion, joint-stock companies—R78.5 billion (30 percent), kolkhozes—R1.3 billion (0.5 percent), and individual builders—0.2 billion (0.1 percent).

Centralized capital investments made up half of the overall volume, including from the republic budget—R88 billion, and local budgets—R43.6 billion.

Additionally, R7.8 billion in state investment credit was assimilated for the implementation of federal target programs and the Konversiya program.

Fixed capital valued at R73.8 was put into operation. The following production capacities were released to go online during the year: at the Amur shipbuilding plant, a complex of facilities for furniture production, and at the plant for lifting and transport equipment—capacities for manufacturing 50 elevators; the airport in Khabarovsk was expanded to serve 1,500 passengers an hour.

In 1993, 7,504 well-designed new apartments with an overall area of 431,300 square meters were built, which is 5 percent more than during the preceding year.

State enterprises and organizations put into operation 65 percent of the overall volume of housing, the population at its own expense and with the help of state financing—2.6 percent, and housing construction collectives—3.7 percent.

Among the facilities of the social sphere, five general educational schools to accommodate 2,530 were put into operation in Sovetsko-Gavanskiy, Verkhneburennskiy, and Ulchskiy Rayons, one kindergarten to accommodate 140 in Novyy Urgal, a polyclinic for 173 visits per shift in Sovetskaya Gavan, and a club to accommodate 150 in Nizhniy Khalby in Komsomolskiy Rayon.

In branches of the agro-industrial complex R26.5 million in capital investments from all sources of financing were assimilated, or 37 percent less than in 1992, including from the republic budget—R8.7 billion (2.3 times less).

Construction organizations with all forms of ownership operating on the territory of the kray performed contracting work valued at R227.6 billion, which is 23 percent less than in 1992.

**TRANSPORTATION AND COMMUNICATIONS.** Under the conditions of the further reduction of production volumes and the higher rates for all kinds of general purpose transportation in 1993, 31,639,000 of freight was shipped, which is 32 percent less than in 1992.

The shipment of freight by rail decreased by 20 percent, air—by 26 percent, automotive transportation—34 percent, and river—47 percent.

In rail transportation in the kray the loading of almost all the most important kinds of freight decreased as compared to last year, including oil—by 10 percent, cement—by 64 percent, grain crops—by 48 percent, and fertilizers—by 81 percent.

A total of 7,390,800 tones of national economic freight was shipped by coastal sea transportation, which was 11 percent less than during 1992.

Left in the port of Vanino was 10,700 tonnes of residual cargo intended for shipment to regions of the Far North. As of the beginning of the navigation period only 150,700 tonnes of freight had been shipped to regions of the Far North by the transportation and port fleets from the seaports of Vanino and Nikolayevsk-na-Amur.

Passenger traffic on all kinds of transportation decreased by 5.6 percent and amounted to 251.1 million individuals. The greatest reduction of the number of passengers transported was on river transportation—(20.3 percent).

A total of R13.685 billion was spent on repair and maintenance of roads and highway facilities. Repair was completed on 460.3 km of roads (64.4 km more than in 1992).

But in physical terms the volume of the most important kinds of communications services decreased as compared to 1992: the dispatch of parcels—by 18 percent, money transfers—by 33 percent, telegrams—by 36 percent, and long-distance telephone calls—by 13 percent. At the same time the sending of letters, cards, and printed matter in wrappers, both ordinary and on order, increased by 11 percent.

#### FOREIGN ECONOMIC RELATIONS

In 1993 the volume of exports amounted to \$516 million. More than 45 percent of the products exported were timber and items made from it (more than 85 percent of its sales were to Japan) and ferrous metals and items made from them amounted to \$118.4 million (23 percent) with 82 percent sold in China. More than 10 percent of the petroleum products were exported (\$53 million) and about one-fourth of this volume was delivered to Japan.

Additionally, more than 21,000 tonnes of nonferrous metals and scraps, ground transportation equipment, fish products, and other goods were shipped. Raw and processed materials continue to dominate exports.

The geography of deliveries is expanding: In addition to exports to Japan (54.6 percent of the entire volume exported), there has been an increase in deliveries to China (32 percent), Singapore (4.4 percent), the Republic of Korea (4 percent), Hong Kong, Canada, Switzerland, and other countries of Europe and the Asiatic region.

According to working figures, during the year product imports amounted to more than \$349 million. The greatest quantities of imports are from China (64.2 percent of the total imports), Japan (12.3 percent), the Republic of Korea (8.3 percent), the United States (3.8 percent), and Germany (2.1 percent). There were also deliveries from many other various countries: Austria, Israel, Italy, Bulgaria, and Finland. The overall imports came from 44 countries. The structure of imports was made up mainly of foodstuffs and consumer goods (95 percent of all imports).

During the past year more than \$732 million went into foreign currency accounts, which exceeds the figures for 1992 more than fivefold.

More than 62 percent comes from foreign currency revenues for exported products and 4.7 percent for exported



services. The outlay amounted to \$714.2 million. About 41 percent of the foreign currency outlays were various payments; \$144 million (20.2 percent) was spent on purchasing imported products; the sale of foreign currency through authorized banks made up about 19 percent; and other sales accounted for 15 percent (\$107 million).

More than \$15 million in foreign investments came to the kray during 1993, 13.5 million of which went for direct investments; 77.1 percent of the direct investments were for equipment and technologies included in the authorized capital of joint ventures, 15.2 percent for targeted monetary deposits; 29 percent of the foreign investments were in the timber and wood processing branch, and 23 percent in the transportation and communications branch.

More than 47,000 foreign citizens visited the kray for various reasons, with 50 percent of the visits being for work purposes, 28.5 percent for tourism, and 21 percent of the citizens visited the kray on private business. The largest percentage of visitors were guests from China (52.1 percent), from Japan (21.9 percent), from the United States (12.1 percent) and from the Republic of Korea (6.2 percent).

#### **Nomenklatura Threatens Nakhodka Free Economic Zone Status**

##### **Businessmen State Complaints**

944F0398A Vladivostok KRASNOYE ZNAMYA in Russian  
2 Feb 94 p 1

[Article by Fedor Ustyugov and Vitaliy Tuzyuk: "Clash of New Wave Businessmen With Former Party Nomenklatura Threatens Nakhodka With Loss of Free Economic Zone Status"]

[Text] We have at our disposal two interesting documents. They are accompanied by no less interesting events which have a direct influence on the fate of each of the residents of the free economic zone "Nakhodka."

We will begin, perhaps, with the second of these—the official statement adopted by a group of businessmen, politicians and jurists of Nakhodka. Among those signing it are people who are rather well known in the city: Sergey Bondarev, Oleg Oksuzyan, Sergey Diltayev, Gennadiy Zuyev, Igor Sirotinin, Sergey Romanchenko, Raisa Govorukha, Valentin Zavadnikov, Viktor Pokotilov and others. This statement is a reaction to the actions of the city administration, and primarily Mayor Viktor Gnezdilov, in regard to the free economic zone. The most important and perhaps the most frightening is the fact that, as a result of these actions the FEZ [free economic zone] "Nakhodka" is becoming, in the opinion of those signing the statement, an unfavorable place for enterprise. And the very project of the FEZ may turn out to be a complete fiasco.

In essence, all this is the result of opposition of the two primary political forces in the city. One of them is represented by the managers of most of the city's major enterprises, who have made their careers within the command-administrative system and who are trying to hold on to their positions at any cost. The other is comprised of self-made individuals, people who represent the entrepreneurial milieu. Both occupy an important place in the

structure of the FEZ. But, unfortunately, they have still not found a common language. Nevertheless, certain goals have been achieved. Government decree No. 540 regarding the FEZ "Nakhodka" has largely lost its effectiveness, especially in regard to customs and tax benefits.

The actions of Viktor Gnezdilov may have a much more lamentable effect for the territory. In the opinion of the financial director of the FEZ administrative committee, Valentin Zavadnikov, as a result of the aggressive exercises of the mayor, the zone will never even see the new tax credit for 1994. And this means a loss of over 100 billion rubles (R), a considerable portion of which would have been handed over on a non-compensatory basis to the city administration for social, cultural and domestic needs.

There is another piece of joyless information for the stockholders of Nakhodka enterprises. In the opinion of the director of the Nakhodka Financial Joint-Stock Company, Gennadiy Zuyev, the result of the perturbations which are taking place will be a sharp and significant decline in the exchange rate of stocks in local AO [joint-stock companies]. The decline in business activity on the territory of the FEZ not only by domestic, but also by foreign businessmen is entirely predictable.

The situation underlying the events is rather primitive—a banal struggle for power. For this V. Gnezdilov needs to maximally weaken the positions of the FEZ administrative committee and place his own people in key positions. And that is what is going on now.

Why did the heads of administration of Nakhodka and Partizanskiy Rayon adopt a decree on the de facto elimination of independence of the administrative committee, giving it the status of a department under the city administration? This contradicts the government decree, according to which the administrative committee is subordinate to the government of Russia.

Making use of the fact that former administrative committee chairman Igor Ustinov became a deputy in the State Duma and left to work in Moscow, V. Gnezdilov decided to arbitrarily replace the head of the committee. The general director of the TOO [Limited Liability Partnership] "Nakhodkagrazhdanstroy," Sergey Dudnik, was named to this position. We might add that this decision was made in spite of the opinion of the city administration board of directors, as well as of the entrepreneurial circles. We will add that if we consult the opinion of residents of the Northern Microrayon of Nakhodka regarding this candidacy, they would have a few unflattering things to say about Sergey Aleksandrovich. And, a fact which is of principle importance is that here too the procedure specified in government documents was violated. According to these documents, the agencies of local self-government only recommend candidacies for the position of administrative committee chairman, and the government makes the decision regarding the appointment. In fact, according to Igor Ustinov's last directive, Aleksandr Kotikov is to perform the duties of chairman until the lawful appointment of a new chairman. In other words, we may speak of violation of the law.

Since that is the case, the authors of the statement intend to insist on the restoration of legality, the appointment of chairman of the FEZ Administrative Committee with

involvement of all interested parties. Otherwise, they will demand the resignation of the mayor.

But for now, on the threshold of the March elections, the mayor is in a hurry to place the necessary people in the necessary positions. And his desire to retain his seat stands above the idea of a free economic zone, whose forefather Viktor Semenovitch considers himself to be. We are afraid that as a result of the palace intrigues, the city's residents will lose their prospects for improving their standard of living, as well as new jobs and many other things that the FEZ can give them, yet an ordinary provincial city, of which there are hundreds in Russia, can never give them.

#### City Administration Answers Complaints

944F0398B Vladivostok KRASNOYE ZNAMYA in Russian  
3 Feb 94 p 1

[Article by E. Kiryanova: "New Chairman of the FEZ "Nakhodka" Administrative Committee Appointed in Full Correspondence With Standard Documents..."]

[Text] In the two preceding issues of KRASNOYE ZNAMYA we published the opinion of a group of businessmen, politicians and jurists of Nakhodka, who place all their hopes on the development of the free economic zone "Nakhodka." They have seen in the actions of the city's head of administration, Viktor Gnezdilov, a threat to the continued existence of the FEZ [free economic zone], following his appointment of S. Dudnik as chairman of the FEZ administrative committee.

Today we are giving the floor to the Nakhodka city administration, which presents an opposing viewpoint.

Not only the city, but also the kray has been flooded with information from the "lover of truth" and the "fighter" for democracy, the newspaper NAKHODKINSKIY PROSPEKT, regarding the supposedly impending total fiasco of the free economic zone, the "palace overthrows" and the "lost opportunities." Nakhodka residents, before whose very eyes and through whose efforts this very FEZ was born and developed, overcoming barriers of various height, were simply stunned by the fabrications of the newly proclaimed "chroniclers."

Somewhere beyond the boundaries of Nakhodka, uninformed people may believe that the appointment of the new administrative committee chairman, S. Dudnik, to replace I. Ustinov who had been elected as deputy to the State Duma, will make Nakhodka a place which is "unfavorable for enterprise," will entail a significant increase in the exchange rate of stock in local joint-stock companies, and will influence the government, which will not issue credits to Dudnik.

In any case, the perplexing question arises: How is it possible for all the efforts of Nakhodka residents to be negated because of one figure? The public is offered a solution: Such a gloomy picture will not come to pass if Mr. Zavadnikov or, say, Mr. Bondarev are appointed as chairman.

But Dudnik—he is proclaimed as a henchman of the "red directors," having made his career "on the yeast of the administrative-command system."

Yes, yes. That specifically is the definition which respected people in the city have acquired, managers of large enterprises who in a difficult moment did not leave their collectives to the whims of fate, who bore on their shoulders all the burdens of the transition to the market.

Nakhodka is not such a big city. And the current propensity toward power by "those who are rather well-known in the city" (the words of NP in quotation marks) and those who are being pushed back to rear positions with the coming of Dudnik is quite understandable for any sober-minded person.

Nakhodka residents had a rather optimistic, though non-synonymous, attitude toward the appointment of S. Dudnik, who stood at the wellsprings of the birth of the FEZ, as chairman of the administrative committee. However, we must assume that both the PROSPEKT and the group of "well-known" people understand that the time of tin soldiers and unanimity has passed. Moreover, S. Dudnik's announcements regarding the further mechanism of development of the FEZ are realistic and do not have the slightest divergence from the course which had previously been implemented.

Who can object to the fact that we need to revitalize decree No. 540, which previously gave the FEZ tax and customs benefits, or to the fact that, without giving up our former positions, we may use the situation in our favor and create mini-zones on the basis of ports?

It is understandable that NAKHODKINSKIY PROSPEKT in this case earnestly expresses the will of those for whose money it exists. It is a shame that such concepts as journalistic ethics and human decency are lost here. Yet the money in circulation is considerable. What other newspaper with a circulation of 7,000 can allow itself to have its own Moscow-accredited correspondent in the Federal Assembly? In itself, this fact cannot evoke anything but joy. There are many really remarkable examples of the charity of the new entrepreneurs. However, the current actions of the group of "well-known people" are rather far from being charitable.

And in addition to everything, PROSPEKT evidently likes to appear as a political martyr (See UTRO ROSSII, No 17). Economic difficulties, difficulties with printing the newspaper which are so familiar today to every editorial collective can, after all, be presented as being the intrigues of those same "red directors"... and of the city administration.

#### Announcement Issued by the city of Nakhodka Administration Press Center

In connection with the fact that recently the newspaper NAKHODKINSKIY PROSPEKT has been fanning political passions over the appointment of the new chairman of the administrative committee of the FEZ "Nakhodka," its journalists operate with the facts willfully and with bias, giving them an unobjective evaluation, and also publish fabrications regarding the involvement of the administration in difficulties associated with

the publication of the newspaper, the administration press center is authorized to give the following explanation:

1. The appointment of the new administrative committee chairman of the FEZ "Nakhodka" was performed in full accordance with the standard documents.
2. The administration has nothing to do with problems associated with the publication of the newspaper NAKHODKINSKIY PROSPEKT. The tin can factory, being a joint-stock company, makes decisions independently.
3. Noting the destructive position of the editors of NAKHODKINSKIY PROSPEKT, the city administration retains the right to legally verify the correspondence of newspaper publications to reality, as well as to the RF [Russian Federation] Law on the Mass Media.

### Maritime Kray Reports Tax Revenues

944F0396A Vladivostok VLADIVOSTOK in Russian  
9 Feb 94 p 3

[Article, by the Press Service of the State Tax System for Maritime Kray: "The Rosich Company and Others Have Not Succeeded in Evading Taxes"]

[Text] The State Tax Inspectorate for Maritime Kray has summed up the results of its work in 1993. The total amount of all types of taxes that were paid last year both by enterprises, organizations, and institutions in the kray and by the residents of Maritime Kray came to 701,816,000,000 rubles. That is almost ten times more than in 1992. Thirty-five percent of the collected taxes were sent to the federal budget. The rest (456,511,000,000) remained in the local budget. In the structure of all taxes, the taxes with the largest weight are: profit tax (44 percent); added value tax (29 percent); and income tax from individuals (14 percent). Income from privatization in the kray came to 18,366,000,000 rubles. A large part of that amount remained in the local budget.

An additional sum of 83,357,000,000 rubles was paid into the budget as a result of checking that was done by the kray's tax inspectorates. Also, the economic situation in the kray and in the country could not fail to have an effect on the quality and the deadlines for paying the taxes, as well as the penalties in the event of late payment or nonpayment. Thus, the increase in the number of taxpayers, the increase in prices, and the increase in the payment of labor led to a considerable increase in the volume of payments. On the other hand, the unstable financial situation of enterprises, the delay in the reciprocal settlements among them, and the rise in the inflationary processes and the indebtedness of enterprises inevitably led to late payments and to the reduction or even cessation of tax payments on the part of many taxpayers. The increase in arrears is also linked with the taxpayers' low discipline. More than 70 percent of state enterprise, more than 50 percent of municipal ones, and one-third of nonstate enterprises were found by the tax agencies to have committed various violations in computing and paying the profit taxes.

Frequently debtor enterprises, because of their complicated financial situation, are given payment extensions. In

the remaining instances the tax inspectorates take steps of financial or administrative punishment. More than 6000 officials in 1993 were brought to administrative responsibility; almost 8000 times it was necessary to suspend the violators' financial activity.

The following are a few examples. In Nakhodka the tax inspectorate required the Korkhis TOO [Limited Liability Partnership] to pay 45 million rubles as a fine for having violated tax legislation. An audit conducted jointly with the tax police revealed the concealment of income from the sale of vodka behind the cash account at the Masmetna TOO; the violators paid 32 million rubles. The Lakkhor TOO failed to enter as receipts the proceeds from the sale of motor vehicles; the fines came to 15 million rubles. The Vladivostok tax inspectorates, in the course of audits, revealed violation of tax legislation at the Rybvost, Mortransservis, Vostokvneshservis, and Avtoimport joint-stock companies, the Rosich foreign-trade company, etc.

In dealing with the most serious violations, the materials pertaining to the audits by the tax inspectorates were sent to law-enforcement agencies. In 1993 there were 192 files of such materials, with the overwhelming number of them (122) pertaining to joint-stock companies, limited companies, and other nonstate organizations. The Pervomayskiy Rayon tax inspectorate audited the activities of the Shelf joint-stock company. As long ago as 1992 the Vladivostok Base of the Trawler and Refrigerator-Ship Fleet (VBTRF) concluded with Shelf a lease contract in conformity with which the latter had four fishing ships transferred to it, with VBTRF bearing all the expenses for maintaining, operating, repairing, and supplying those ships. Since it did not have quotas or licenses for exporting fish products, Shelf received at the expense of VBTRF 337.1 million rubles simply in exchange for selling the fish abroad. The founders of Shelf were VBTRF officials headed by N. Nikitenko. It was they would receive income from the activities of those ships, but VBTRF bore the expenses. The tax services considered these actions to be a violation of the law, and they lodged an official request to the kray procurator's office to initiate a criminal case charging the violators with malfeasance. Subsequently an audit of the financial activities of VBTRF was scheduled, and that audit has been completed at the present time. The results will be reported separately.

The kray's tax agencies discovered instances in which the enterprises violated the regulations for withholding income tax from individuals. The largest amounts of funds that were additionally computed by the inspectors were for such violators as TURNIF, DVMP, Dalpushnina, Roliz, and the Russo-Japanese Rikar [Riccar] enterprise. Over a period of several months the Ussuriysk railroad-car and refrigerator-car roundhouse failed to record the income taxes that had been withheld from citizens. The violation was estimated to be a half billion rubles.

Approximately 5000 citizens were brought to administrative responsibility for having committed violations in the payment of taxes from individuals. For example, in Vladivostok, during the documentary checking of declarations of income, tax inspectors established instances of under-reporting of income received by two entrepreneurs in 1992, with a total amount of 400,000 rubles. A total of 153 files of material dealing with the results of audits of tax



payment by individuals were sent by the Vladivostok tax inspectorate to law-enforcement agencies. A criminal case involving an instance of concealing income was initiated with respect to the director of a branch of the Interfeys [Interface] SP [joint venture]. However, that case has been currently suspended, inasmuch as the violator is hiding from the law-enforcement agencies.

The kray's legal inspectorate considers that an important aspect of its work is close cooperation with the customs services and with the tax police. And a decisive factor in the further improvement of the work performed by the tax inspectors, in the opinion of its employees, is the serious reforming of the tax system in the country.

### **Siberian Geology Workers Need Protection**

944F0393A Vladivostok UTRO ROSSII in Russian  
3 Mar 94 p 2

[Article by N. Kosterev, first deputy chairman of the Primorgeolkom (Maritime Kray Geological Committee): "Stores of Mineral Resources Are Being Depleted Rapidly; Geological Service Today Is on the Brink of Collapse; Urgent Measures Are Needed To Retain Highly Qualified Personnel"]

[Text] Does Russia need a geological service? This question is being asked more and more often by specialists who have dedicated their entire life to a difficult profession. The economic crisis has dealt a powerful blow to very important industries. But only time-servers can be indifferent to the curtailment in prospecting work. Because geology is fundamental to the mineral-raw material base of any industrial power. Therefore, it has always enjoyed the support of the state.

Let us look at history. In the period of the origin of capitalism in Russia, the tsarist government organized a central geological institution—the Geological Committee—to supply developing industry with mineral raw materials. The committee was instructed to conduct general geological study of the territory all the way to the Pacific Ocean. The work of the Geolkom [Geological Committee] was participated in by prominent geologist-scientists A.P. Karpinskiy and V.A. Obruchev, and E.E. Anert, a mineral prospector of the Far East, especially Maritime Kray. By 1914 the principles of knowledge of the geological structure of Russia had been laid and many deposits of mineral resources discovered.

After the civil war, in order to restore the destroyed economy, once again it was mineral fuels (coal, peat, oil) that were needed most of all, but also iron, nonferrous metals, and precious metals. Life raised the question of creating a multicomponent mineral-raw material base for the country. But there were not enough specialists. Geological VUZ's [higher educational institutions] and faculties began to be established in many cities of Russia, including Vladivostok.

The network of industrial geological organizations was expanding. Numerous trusts were established in place of the geological committee. One of them appeared in Vladivostok. As a result, in two decades of development of geological work, the powerful mineral-raw materials base of the Soviet Union was established. It provided the

industry of our country with all that was necessary by the start of the Great Patriotic War.

During the war years geological exploration, although cut back, did not stop. Many specialists, despite the enormous human losses at the front, were not drafted into the regular army for the sake of new discoveries of minerals. Immediately after the war prospecting work began to gather even more steam—especially in Siberia and the Far East.

Practically in the postwar period a mineral base was created in the Far East and Transbaykal region for the mining of tin, tungsten, polymetals, fluor-spar, boron, uranium, rare metals, gold, and building materials. On the whole in the country thousands of deposits of minerals needed by industry and agriculture were discovered and prospected.

But only dilettantes could have been complacent when they decided that the large backlog of stores of all minerals was more than they could cope with and, consequently, searches and prospecting for new deposits could be cut back for many years (or entirely stopped). It must not be forgotten that after the October Revolution we used discoveries acquired at the end of the 19th and the beginning of the 20th centuries. At the present time we are using the results of geological prospecting of recent decades.

It must be remembered that mineral resources are not limitless and that they are being irretrievably depleted. New discoveries of deposits are being made more and more frequently at great depths and in sparsely populated rayons. Often decades are spent prospecting and assimilating deposits. It is necessary to know that approximately 75 percent of the raw materials for the national economy are taken from the earth's depths. That is why it is necessary to have systematic and continuous production of all types of geological prospecting operations. It should not be forgotten that with the dissolution of the Union, Russia was left without chromium, manganese, uranium, and titanium. The current generation is obliged to create a mineral-raw material reserve in mineral resources for subsequent generations, as was done for us by our fathers and grandfathers.

Central television recently reported the information that revealed reserves of gold in the interior of Russia were enough for 35 years of exploitation. As a specialist, I will say something else—gold-mining will come to a halt within three to five years if gold prospecting operations are stopped.

Nevertheless, Russia's powerful geological service has been virtually destroyed. At the present time about 10 percent of the volume of work it had 10 years ago remains. Hundreds of qualified geologists, drilling technicians, and geophysicists in Maritime Kray, like in all of Russia, are being forced to look for other work.

A further reduction is expected this year in centralized appropriations. The state is planning to finance geological work in a small volume on the scale of 1:200000, monitoring of the geological environment, and predicting earthquakes. A geological service is being established for this.

It is planned to conduct search and prospecting for deposits at the expense of the resources of the mineral users. At the present time a federal tax is collected from

enterprises that are exploiting deposits for supplying the mineral-raw material base. More specifically, for the conduct of geological prospecting work. In the next year or two this tax will in all probability be eliminated, which will lead to a further cut in the volume of exploring and prospecting for minerals.

We are already planning not to go into the field this year. Available resources are being directed at curtailing and eliminating labor collectives of geological prospectors. The state has practically abandoned financing the geology industry. Therefore, several ways of reorganizing state geological organizations in the future are being examined: The shift of former expeditions to the staff of mining enterprises, the establishment of integrated geological exploitation enterprises, fully reprofiled geological organizations, or their elimination. The remaining enterprises will be converted into joint-stock companies and privatized.

But geological personnel will be cut under any reorganization. The mining enterprises of Russia that need the work of geologists cannot finance them in full measure, because they themselves are living through great difficulties. Even gold mining has been reduced.

Counting on foreign investments in the Russian mining industry is very illusory. After all, the world mineral raw material market was formed without taking the potential of the former USSR and Russia into account, and is saturated with raw materials at the present time, as indicated by the continuous drop in prices. Only diamonds, gold, oil, and gas are enjoying increased demand.

In addition, many foreign deposits surpass ours in quality of ores and mining conditions for geological exploitation. The cost of the development of a number of deposits in Russia is more expensive than in countries of Asia, Africa, and Latin America. Foreign investors are also frightened off by our economic disarray and political instability.

Inasmuch as Russian, including Maritime, geologists have high qualifications and a lot of practical experience, they could work effectively in any foreign country. In previous years Soviet geologists (including Maritime geologists) were used successfully in dozens of countries of the world and on all continents except Australia.

Under conditions of a developing market, geology in Russia has been placed in a situation of having to fight for its own survival. That is, not waiting for encouraging decisions and handouts from the top, but determining its own fate independently. The main thing for us now is to preserve the qualified pool of personnel. For we have no doubt: The country's need to intensify geological work will rise in the next few years.

#### **Problems Facing Far Eastern Industries Viewed**

944F0356A Moscow ROSSIYSKIYE VESTI in Russian  
8 Feb 94 p 2

[Article by ROSSIYSKIYE VESTI correspondent Valeriy Golovin: "Will It Be Necessary To Open Up the Far East All Over Again?"]

[Text] Taking into account the extreme situation that has taken form in the economy of Khabarovsk Kray in connection with the liberalization of prices for energy sources and

the raising of transport rates, and also with a view to stabilizing the socioeconomic situation in the kray, the Council of Ministers-Government of the Russian Federation decrees:

1. The State Committee of the Russian Federation Committee on the Socioeconomic Development of the North, the Russian Federation Ministry of Economics, and the Russian Federation Ministry of Finance, jointly with the administration of Khabarovsk Kray, shall, before 1 January 1994, present to the Council of Ministers-Government of the Russian Federation a proposal on the inclusion of the entire territory of Khabarovsk Kray on the list of localities that are considered pertaining to the Far North by virtue of the conditions of delivery and transport of output of production and technical designation and of consumer goods.
2. The Russian Federation Ministry of Finance, the Russian Federation Ministry of Economics, and the Russian Federation Ministry of Fuel and Energy, for the maintenance of the cost of one kilowatt-hour of electrical energy at the level of 40 rubles [R] (rated cost), shall provide for the apportionment to the Khabarovsk Kray Administration of R19.6 billion from the Russian Federation's republic budget, as a selective targeted subsidy for November-December 1993, for compensation for the difference between the cost of electrical energy put out by the Khabarovskenergo joint-stock company and the rated cost....

(From the government decree "On Measures for Stabilization of the Socioeconomic Situation in Khabarovsk Kray for 1993-1994." Analogous documents were adopted for Maritime Kray and Sakhalin Oblast.)

Khabarovsk—Last August, during a trip around the eastern regions of the country, Prime Minister V. Chernomyrdin promised that the state would, without fail, close out its debt to the defense complex in September. And of course, he vowed, the government would not allow the economic potential of the Far East and the Transbaykal region, which occupy more than 40 percent of the entire Russian territory, and which for that reason play an important geopolitical role in the fate of the whole country, to collapse utterly. "We came here in order to examine the problems and to try to come to some solution," said Viktor Stepanovich, at a meeting in Khabarovsk Kray.

"Not only have the circumstances in the region after your visit only failed to stabilize, they have gotten worse," reads the address to V.S. Chernomyrdin and signed by the heads of administration of nine eastern krays and oblasts five months later. The authors of the message explain the situation that has taken shape by an inadequate appraisal of the specific features of the region and by a disregard on the part of the central authorities for the interests of the Far East. The ministries and departments are in no hurry to carry out the government decree, which was adopted in October-December of last year with respect to individual territories of this extensive kray. Although there has been little success with the concrete promises that were made during last year's trips, either (at that time, in addition to the prime minister, almost all of his deputies also visited the East).

If a few months ago, the defense plants of the Amur region were demanding R30-40 billion of the government for output already produced, today this debt has reached R70 billion. Because of a shortage of financial resources, many enterprises are operating at only 30-50 percent of production capacity. And since enterprises of the military-industrial complex in the Far East have a significant specific gravity, they are objectively turning into a millstone around the neck of the regional economy. Should we be surprised that at the end of last year the slump in production in that same Khabarovsk Kray amounted to 22 percent?

Other state programs are also being carried out in an analogous way. For example, in 1993 the Amur region was allotted only 37 percent of the funds it needed from the federal budget for the construction of housing for servicemen who had been released into the reserves. As a result, it was possible here to rent out only 15,000 square meters of new living space, instead of 70,000. The agro-industrial complex received an amount that was short approximately R10 billion from the budget. The large debt that Moscow owes the people of the Amur region is also for the organization of freight deliveries to the northern regions. Last year they delivered everything necessary there on a timely basis. But the government is to this day in no hurry to apportion all of the financial resources promised for this.

At the Khabarovsk Kray Economics Committee it was calculated that, in order to resolve the territory's most burning problems today, about R100 billion is necessary. One should take into account the fact that the Amur region, by virtue of its remoteness, must endure the pressure of completely impossible transport rates and must pay more for energy resources. All of this is shifted to the output produced here, which becomes simply noncompetitive because of its high price.

How to get out of this dead-end situation—where to find the money necessary for this? At the end of January, Viktor Ishayev, head of the kray administration, was compelled to introduce an emergency regime in the area of financial guarantees. It was not from good living that he, at one press conference, even announced the temporary cessation of tax appropriations to the federal budget. True, Aleksandr Katsuba, head of the finance administration, later hastened to explain to the journalists that they had misunderstood the governor.... Although, if you think about it, the people of Amur region have absolutely nothing to deduct in any case.

Everyone needs money today. The deputy head of the Khabarovsk Kray administration, who is also the chairman of the economics committee, Aleksandr Levintal, with whom I talked about today's situation in the Amur region, is convinced that until the government, for populist considerations, just patches up the financial holes, the federal budget will remind us of Trishka's caftan, which unraveled in another place every time a hole was mended. The main thing, Levintal believes, should still be the balancing of the budget, oriented, as much as possible, on tomorrow. At the very least, it is important to the people of the Far East that the offices in Moscow take heed

of the specific peculiarities of a region that is compelled, simply by virtue of its remoteness, to bear considerable expenses and outlays.

But standing up for their righteousness, the local administration workers must, sometimes not without a fight, overcome rigid barriers of the simply inimitable government bureaucracy. A. Levintal cited this example. In the Decree "On Measures for Stabilization of the Socioeconomic Situation in Khabarovsk Kray for 1993-1996," which was signed by V. Chernomyrdin back on 4 December, the Ministry of Economics and the Ministry of Finance were to work out within a month's time a proposal on the targeted allocation of 20 percent of customs duties for the development of the foreign economic infrastructure of the Amur region. But for the bureaucrats this document of the prime minister's did not signify a call to action. First of all, if that was necessary for the Far Easterners, then they themselves should come to Moscow and collect all the numerous signatures, again independently pushing the necessary documents through the necessary levels. Otherwise, they simply get lost in government folders. So this is already the second month that they are wandering the corridors of power. In the second place, the formula "work out and introduce for approval" by no means signifies that this should be done some time in the future. Today, for example, the negative attitude toward the given point in the government decree of the currency department of the Ministry of Finance is well known. Planning on sending this 20 percent of the collected duties for the construction of border customs crossings in Khabarovsk Kray, it is orienting itself on the interests of Russia. After all, the deductions from the profit received during the exploitation of the customs crossings would be covered by none other than the federal budget. Does Moscow really not understand this?

In the end, it must be taken into account that only more than [as published] 10 million people live in the Far East and Transbaykal, which occupy, as I have already said, more than 40 percent of Russian territory. To ignore the interests of people who live under more than specific conditions is more than unwise. Let us just hope that in the near future we will not need a new Dezhnev and Khabarov to again open up and develop in Russia these severe but amazing parts.

#### **Luzhkov Comments on Moscow City Budget, Economy**

944F0407A Moscow KURANTY in Russian 18 Feb 94 p 7

[Text of excerpts of statement by Yuriy Luzhkov, mayor of Moscow, selected by Nikolay Andreyev: "Yu. Luzhkov: 'Moscow Without a Market Is Doomed'"]

[Text] As we have already reported, a few days ago the mayor of the capital gave a report on the government's work last year and the program for the present year. I think Muscovites will be interested to read excerpts from Yuriy Luzhkov's statement.

We cannot boast of the fact that last year industrial production was stabilized, but the rate of decline has slowed and it is substantially lower than for Russia as a whole. The food industry increased production volumes by 4.7 percent. The extremely large Kreker dry cereal plant



has been launched, a large brewery is near completion, and 12 bakeries and many sausage shops and small breweries have been built in the microrayons. The main goal is to bring "food" closer to residents and employ at least 30 percent of the working-age population in food processing and other small-scale production.

The capital's government fulfilled the promise given to Muscovites and had more than 3 million square meters of housing commissioned, including 1 million in free municipal housing. We will continue to refuse to consider abandoning people on the waiting lists, as has been done in many regions of Russia and the CIS countries, which "bid farewell" to the lists. Last year 26 schools, 30 kindergartens, 12 polyclinics, and 4 hospitals were opened in the new housing developments.

The capital's government implemented a targeted structural policy on social protection of those Muscovites who found themselves in a most difficult position upon the change-over to a market basis. Spent for these purposes were 93 billion rubles [R], which were used to support 3.5 million Muscovites: pensioners, disabled persons, children, war veterans, and other categories of citizens. This year the social orientation of city programs will be bolstered even more: in the first stage alone the city will allocate R450 billion for social needs. We intend to systematically index compensation payments to Muscovites, which will allow us not to lower the level of their support and to prevent tragedies. Unfortunately, we can only dream of anything beyond that.

I want to emphasize especially that talk of daring decisions in the field of reforming the economy without supporting those people who are in a difficult position through no fault of their own is simply unacceptable and all the reforms are doomed.

In the past year market structures have continued to be vigorously developed in Moscow. As of now, about 40 percent of industrial production, 85 percent of transport, and 90 percent of trade and domestic enterprises at the municipal and city levels are no longer state-owned. Operating in the capital, not counting branches, are 350 commercial banks and many business houses, exchanges, and insurance companies. The small business sphere produces 15 percent of the city's volume of consumer goods. All this is the reality of market transformations. Without them, and I say this with all responsibility, Moscow would not have survived 1993. We will continue to develop and qualitatively improve market relations and conduct privatization, but not in the Chubays way where enterprises are sold not as objects for expanded reproduction but as ordinary real estate. Otherwise, it may happen that small groups of people buy up these enterprises and do not work on production but sell them at speculative prices, having acquired them virtually for kopecks. We intend to leave certain elements of property at the municipal, city level, while privatized property will be sold, replenishing the federal and capital treasuries.

Public law and order is a painful issue for Moscow. It has always been a focus of attention of the capital's government. Not because of our allegations, but by announcement of the leaders of the Ministry of Internal Affairs of Russia, last year the city did more for the law enforcement organs than in all the years of Soviet power. About R40 billion were allocated and 40 special purpose integrated objects with contemporary equipment were built to develop the law enforcement organs' material-technical base. Much equipment was bought for GAI [State Automobile Inspectorate] to do operational work, as well as special devices for operational brigades in the fight against organized crime. And now, not just in the future, we have a right to demand of the militia that they fundamentally change their work and provide reliable protection of Muscovites and commercial structures from different kinds of criminals.

We promised last year to put in order and pave 15 million square meters of Moscow roads, streets, and courtyards with asphalt, but 3.5 million beyond that has been done. In terms of volume of road repair, Moscow is at the level of the largest capitals of the world, but we are justifiably criticized for the lack of quality, just as we are for the poor job of cleaning up the city and the work of the law enforcement structures. This year should be a critical one on these issues.

Although we entered 1994 without a budget deficit, the economic situation is very bad. The federal government did not pay its debt of R142 billion to Moscow. The situation is not clear in terms of tax deductions and compensation payments for expenditures for fulfilling the functions of a capital city, and up to this point the embassies, representations, and various state institutions have not paid the city for land and buildings. We are asked to pay R3.4 trillion to maintain and develop the capital's subway system, but even here the federal government has not kept its promise, putting everything on the city's shoulders.

Moreover, I recently found out from a solid, reliable source that Russia's Ministry of Finance aspires to somehow balance the budget by abolishing all subventions to Moscow for it to perform its functions as the capital. Just what kind of sense does it make to try to make ends meet in the budget by ignoring all expenditures which the state is committed to make both in the regions and in the capital? Or do the functionaries from the Ministry of Finance want very much to impress the State Duma?

And the last thing, the food supply of Moscow. Without relying on anyone, the capital's government and its appropriate departments established close contacts with many Russian regions and foreign firms, so that the food situation last year was calm, just as, we hope, it will be this year.

In short, the course of the Moscow government is the same: to develop the market, bolster social protection of Muscovites, stabilize industry, and augment construction of contemporary housing while providing free housing to people on the waiting lists on a mandatory basis.

### 14.5 Million Dollars Allocated to Moscow Law Enforcement Organs

944F0407B Moscow NEZAVISIMAYA GAZETA  
in Russian 17 Feb 94 p 2

[Text of Postfaktum note]

[Text] Moscow. The government of Moscow intends to allocate 14.5 million dollars in 1994 for the needs of the city law enforcement organs. This was reported at the meeting of the capital's government where, among other things, questions of the fight against crime and measures to provide material-technical assistance to the city internal affairs organs were discussed. The mayor of Moscow, Yuriy Luzhkov, spoke at the meeting and defined in this sphere "the main task for the city's government: to create a material-technical base for the GUV D [Main Administration of Internal Affairs] which will impose order in the capital."

### Moscow Visa, Registration Department Chief on Regulating Visitors

944F0401A Moscow MOSKOVSKAYA PRAVDA  
in Russian 18 Feb 94 p 11

[Interview with N. Didenko, by T. Taten and Yu. Belous: "Foreigners in Russia"]

[Text] Nikolay Didenko, department chief of the Moscow OVIR [Visa and Registration Department], answers questions asked by TOP-TURA correspondents Tatyana Taten and Yuriy Belous.

[Correspondents] Nikolay Naumovich, what are the basic statutes governing foreigners' stay in Russia? On what laws do you rely in your work?

[Didenko] Our work today is defined, first of all, by the law entitled "Legal Status of Foreign Citizens in the USSR," which was enacted as long ago as 1985. The second normative act is the 26 April 1991 Cabinet of Ministers decree, entitled "Confirmation of the Rules for the Stay of Foreign Citizens in the USSR." All categories of foreign citizens residing on the territory of Russia are required, within three working days, to obtain a residence permit (to register). The registration points for various categories of citizens are the Russian MID [Ministry of Foreign Affairs], hotels, and internal affairs agencies (rayon OVIR's register students, postgraduate students, and probationary workers, as well as private trips). Today, according to our information, 81,106 foreigners have been registered in Moscow.

[Correspondents] But the figures that pop up in the newspapers say something else: today, according to tentative computations, there are 200,000 Chinese alone in Moscow! What is your attitude toward these statistics?

[Didenko] There actually are a very large number of illegal aliens and refugees in Moscow currently. For example, Kurds arrive in large groups and demand that the Russian authorities recognize the Geneva Convention on Kurdish refugees. They come to Moscow by way of Azerbaijan, without any KPP [control and checkpoint] stamps in their passports. Until recently, this category of citizens caused us a lot of trouble. Today Russia has already enacted the

Law Governing Displaced Persons, and the federal authorities in our country are ready to begin working with them. For example, they will be issued identification cards. We want to complete this work by 1 April. Unfortunately, today Russia has transparent borders with almost all the former republics, so that it is very simple to get here...

[Correspondents] Previously the foreigners who came here were limited in their movements around the country. For example, a visa was required for visiting another city. What is the situation today?

[Didenko] Yes, that used to be the rule, and foreigners did not have the right to leave without special authorization the republic or city where they were registered. Today that rule has been simplified: foreigners can move freely across the entire territory of Russia, but with the mandatory notification of the receiving organization or internal affairs agencies and with mandatory registration at the place of temporary stay.

[Correspondents] But what if our guest does not do that?

[Didenko] He is fined half the minimum (Russian) wages (today the amount of the fine is 7000 rubles, or \$5.00), or the period of his stay is reduced.

[Correspondents] Are there any distant foreign countries today whose citizens can enter Russia without a visa?

[Didenko] There are ten such countries. They are the former countries of the socialist camp, with the government of which agreements governing nonvisa trips have been concluded.

[Correspondents] Do you think that it is necessary to toughen the measures with respect to those foreigners who arrive here illegally?

[Didenko] Forced eviction under convoy from the territory of Russia occurs with the procurator's sanction. But first we send a warning to citizens who have failed to observe the visa rules. Eviction is the extreme measure and, despite the fact that it occurs at the "violation's" expense, for us this procedure is extremely wasteful. Of course, it is possible to deliver Chinese as far as the border on a train. But there exist countries with which Russia does not have common borders, or even direct flights. It is impossible to deliver someone from Somalia to his country, inasmuch as there exists a currency "air" sector beyond which we have to pay a considerable amount of money. I might mention in passing that all other countries do not accept this category of citizens and do not issue visas (not even through visas!) to them. At the present time a new plan has been developed for foreigners' stay in Russia, as well as new rules governing through travel. I assume that we shall receive the new law this year.

[Correspondents] Could we speak a bit now about the nearby foreign countries?

[Didenko] Until a visa system has been established with these countries, the relations with them will be subordinated to the government's decisions. Problems of entry from or departure to the nearby foreign countries do not affect us UVIR [Visa and Registration Administration] workers. As for the Baltic countries, as everyone one, Estonia, Latvia, and Lithuania established visa entry long ago. It is possible to enter those republics only if one has in

his possession a nationally issued foreign passport. But Russia also, in its turn, has established visa entry for citizens of those countries. But for those who have not received a passport from any of the Baltic countries and who have remained, essentially speaking, a citizen of Russia, no visas are required for coming here.

[Correspondents] In previous years a rather large number of so-called "mixed" marriages were concluded. Is it possible, for example, for a female citizen of Estonia to obtain Russian citizenship if her husband is Russian?

[Didenko] First of all, that family must decide where the married couple will reside—in Russia or in Estonia. If they have decided that they will live, for example, in Moscow, then the female citizen of Estonia must enter Russia on a visa that has been registered at the OVIR. We can consider the question of her permanent residence with her husband, can issue a residence permit, and can file an official request that she be given citizenship. But as for the question of dual citizenship, that is the president's competency.

[Correspondents] Finally, a question that interests many of our readers. In various publications one sees announcements saying things like, "We can get you a foreign passport quickly." Aren't you embarrassed by what your competitors can do?

[Didenko] I would like to say a few words specifically about this. The duty for formalizing a nationally issued foreign passport is two minimum wages—less than 30,000 rubles. But there are people who are ready to pay \$100 or more to some home-grown companies for the very same services. As a result, they receive documents with the seals of nonexistent countries—in effect, fraudulent homemade documents with which it is possible to get only as far as Sheremetyevo. We have had a very large number of instances like this. It may indeed be true that we do not work fast enough, but a genuine passport can be obtained today only from the hands of MID or OVIR workers. So it makes sense to wait a month and get a passport that is valid for five years—a genuine passport with which you will not be "requested" to go back when you reach the border.

#### **White Book Issued on Moscow Environmental Conditions**

94WN0179A Moscow SPASENIYE in Russian  
No 5, Feb 94 p 7

[Report by A. Frolov, report on population's health with table on cancer mortality rate, and report on counterfeit therapeutic balms by A. I. Leontyev, under the rubric "House of Nature": "The White Book of Moscow"]

[Text] [A. Frolov]

The White Book "State Report on the Condition of the Natural Environment of the City of Moscow" has been published for the first time in the city's history.

The report was prepared by decision No. 18 of the presidium of the Mossovet dated 15 April 1993. The client was Moskomprirody [Moscow Nature Committee] and the chief agent was the Moscow Special Purpose Fund "Ecology and the Condition of the Living Environment" (MTSF

ESSO ["Moskovskiy tselevoy fond 'Ekologiya i sostoyaniye sredi obitaniya'"]). The chairman of the editorial board was A. V. Yablokov.

For decades the city's nature protection organs maintained a humble silence regarding the activity of the city authorities and the Council of Ministers nomenklatura, who turned Moscow into an ecological disaster zone.

This humility cost Muscovites dearly—millions of residents have died 8-10 years early and hundreds of thousands of children have been born with birth defects and pathologies.

This humility cost the state dearly too—each person who died early or became disabled could have benefited society. Just the cost of treatment and sick leave eats up hundreds of billions of rubles.

This humility left the managers of hundreds of small "Chernobyl's" which contaminated the city unpunished and doomed any good ecological programs to failure for a lack of objective information.

But now the first breach has appeared in the wall of silence—the White Book of Moscow, which for the first time makes it possible to assess the condition of the living environment and the population's health both for the city as a whole and by individual zones.

There is no reason to retell the report's content. Suffice it to say that the report includes chapters which characterize the natural conditions in the city, the condition of the atmospheric air, water resources, soils, and the plant and animal worlds, the scope of technogenic impact, radiation, noise, and electromagnetic pollution, technogenic changes in the geological milieu, the state of public health, and the activity of the nature protection organizations. The report includes more than 40 maps and figures which for the first time make it possible to comprehensively assess the condition of the living environment.

I am certain that every Muscovite will be interested to know the report's contents and find out just what is happening in his microrayon and on his street.

But the history of the report's appearance is no less interesting.

First, the report appeared against the bureaucrats' wishes. The city administration deliberately did absolutely nothing to prepare it, hoping that the idea would die of itself. A paradoxical fact is that the State Report was financed not from the city budget but at the expense of the City Ecology Fund. Only the sincere enthusiasm and the unselfishness, rare in our times, of the researchers enabled this unique publication to be prepared.

They were able to defend the principle that it is first of all the performing organization that determines the report's content; and that organization was MTSF "ESSO," which hired such organizations as MGU [Moscow State University], MosTsGMS, IMGRE [Institute of Mineralogy, Geochemistry, and Crystallochemistry of Rare Elements], VIMS [All-Russian Scientific Research Institute of Mineral Raw Materials], GMPP of Aerogeology, MGTs SEN, NliPI Genplana, Geokotsentr [Geococenter], and others, in all more than 20 organizations. In preparing the



report they managed to avoid nomenklatura censorship or being placed under the eye of the latest city "father."

Taking into account the trend toward restoration of the nomenklatura dictatorship in Russia, it is quite possible that the report will become a bibliographic rarity. One may predict that subsequent reports, if they are prepared, will be done with proper humility.

Of course, the report was no great revelation. It once again used the example of Moscow to prove that the condition of the environment is the dirtiest secret of the obsolete totalitarian state. But the report gives an objective and fairly frightening picture of the party-management nomenklatura's genocide against its own people.

Much of what was intended in the report was not accomplished. The trends toward change in the condition of the environment were not followed for a long period of time, a substantiated prediction of the possible consequences of maintaining the present attitude toward nature was not given, comparative data with other major cities of the world were not given, the correlation between certain types of diseases and environmental pollution was not specified, and economic substantiation of the benefits of rational nature use was not given.

The report will be useful to teachers in schools, students, businessmen who occupy city real estate, bureaucrats making decisions, and simply Muscovites who love their city.

I would like to thank everyone who took part in preparing the report. In 15 years, or even in 50 years, this book will be remembered as the basis which first gave comprehensive information on the city of Moscow, information against which all subsequent changes will be compared. I would very much hope that the changes will be for the better. That was the reason the report was prepared.

Call telephone number 281-93-56 on questions about obtaining the report.

#### **The Population's Health**

From 1985 through 1990, indicators of natural population growth differed by regions of the city of Moscow. The highest natural population growth per 1,000 inhabitants was found in Zelenograd (+4.3) and Solntsevo (+3.3). There was negative natural growth in Frunzenskiy Rayon (-6.4), Pervomayskiy Rayon (-5.5), Leningradskiy Rayon (-5.2), and Oktyabrskiy Rayon (-5.1).

Against the background of the sharp drop in the birth rate, the proportion of children born with developmental defects is rising. The mortality rate of the population in the city of Moscow is gradually increasing, by 2-3 percent a year beginning in 1987. In 1991 the mortality rate was a record for the last 30 years. Child mortality is a most important indicator of a society's health. In the last 5 year period, an average of 2,923 children 14 years of age and under and 527 adolescents aged 15-19 years died every year. Infant mortality (children under 1 year old) is of most significance in describing the population's sanitary-hygienic condition. In the early 1980s, around 20 children died per 1,000 births. This indicator has now dropped to 15. Birth defects and birth-related deaths dominate in the structure of infant mortality. That is the cause of death of 75-83 percent of the infants.

Mortality from diseases of the respiratory organs is significant (17 per 10,000 births). Children over 1 year of age most often died from injuries and accidents (2 per 10,000), birth defects (1.75), or tumors (1.6). Adolescent mortality rose from 8.3 per 10,000 in 1987 to 10.4 in 1991. More than 50 percent of the adolescents die of injuries and accidents and about 15 percent of them die of tumors.

Mortality among working-age Muscovites was 50.5 per 10,000. The working-age population dies at a rate 6 times higher than that of people aged 2-19. Over the last 5 years, an increase has been observed in the mortality rate of the working-age population. The greatest increase in the mortality rate was found among persons 30-40 years of age. The main causes of death among the working-age population of the city of Moscow are heart and vascular diseases—33.8 percent, tumors—26.1 percent, and injuries and accidents—24.4 percent. As compared with 1988, mortality rate indicators from injuries and accidents rose by 61 percent in 1991, and from tumors and cardiovascular diseases—by 16 percent and 15 percent, respectively. The cancer mortality rate in the city of Moscow in the last 30 years is on a steady increase. Thus, the mortality rate indicator from lung cancer was 26.8 per 100,000 inhabitants in 1959 as compared to 36.3 in 1989, while for stomach cancer this indicator dropped from 71.8 to 41.7. Mortality from cancer of other parts of the body is rising gradually. High indicators of cancer mortality which were substantially above the average city level were found in six of the city's rayons: Kalininskiy, Kiyevskiy, Zheleznodorozhnyy, Sevastopolskiy, and Solntsevskiy rayons and the city of Zelenograd. Average life expectancy for those born in Moscow from 1980 through 1991 is 69 years.

From the state report on the condition of the environment in the city of Moscow.

**General Indicators of Natural Population Change (per 1,000 people). Distribution of Mortality Rate from Oncological Diseases for the City of Moscow in 1988-1989 (per 100,000 in population).**

City of Moscow			Russian Federation		
Year	Birth Rate	Mortality Rate	Natural Increase (per 1,000 people)	Natural Increase per 1,000 in Population	
				Overall	In Cities
1980	13.6	11.7	+1.9	4.9	5.8
1985	13.8	12.1	+1.7	5.3	5.2
1986	14.3	11.5	+2.8	6.8	7.1
1987	14.2	11.9	+2.3	6.7	6.9
1988	13.1	12.0	+1.1	5.3	5.5
1989	11.8	12.4	-0.6	3.9	4.0
1990	10.5	12.8	-2.3	2.2	2.3
1991	9.2	12.9	-3.7	0.7	0.6

**Attention: Counterfeit! [by A. I. Leontyev]**

Not only money but even Karavayev therapeutic balms are being counterfeited.

Almost 3 years ago the Public Fund To Promote Research and Initiatives of Citizens on Making Man and the Environment Healthy was set up in Moscow; it was named after V. V. Karavayev, the philosopher and scientist who formulated the integrated preventive-therapeutic system.

A person can be healthy only when the three basic metabolic processes in his system occur normally, Karavayev asserted. They include a physiologically normal diet, breathing, and the exchange of mental information (thinking). Any deviation in these processes has an immediate effect on the acid-base equilibrium (ABE) in the blood. Each person can ascertain the ABE in his blood by the color of the conjunctiva (the inside surface of the lower eyelid). Normally it is bright pink. If there is a skew toward the alkaline, it is dark red to beet red. With a skew toward acidic, it is pale pink. For most of our fellow countrymen, the ABE of the blood is skewed toward acidic (acidosis).

Karavayev balms, which affect the skin and mucous membranes, are one way to restore the balance. They are Vitaon, a butyric extract, Auron, a hydrous extract, and Somaton, a hydrous-butyric extract, from medicinal plants. There are from 9 to 13 medicinal herbs in them, including St. John's wort, yarrow, mint, calendula, licorice, thyme, and others.

The therapeutic qualities of the balms are unique, and urologists, stomatologists, gynecologists, gastroenterologists, radiologists, and other specialists immediately started to use them.

The Karavayev Fund developed the technology and organized industrial production of the balms. They immediately became popular among Muscovites and do not last long on pharmacy shelves.

Unfortunately, slick operators have recently, at the peak of the balms' popularity, begun moving in: counterfeit Karavayev balms have appeared, poured into similar bottles and with Karavayev labels. But the counterfeits do not have the therapeutic effect inherent in the real Karavayev balms. One can distinguish the Karavayev balms from the

counterfeits only by looking at the quality passport on the Karavayev balms. The seal and stamp of the Karavayev Fund should be there.

So before you lay down your good money, ask the manager of the pharmacy to show you the appropriate documents.

**News From St Petersburg**

**Property Fund Official Under Investigation**

944F0417A St. Petersburg NEVSKOYE VREMYA  
in Russian 16 Feb 94 p 3

[Article by Dmitriy Yezhkov: "Special Services 'Listened' in on Property Fund: Preliminary Investigation in 'Fishkov Case' Complete"]

[Text] On 5 February the deadline expired for a four-month investigation in the case of Aleksandr Fishkov, deputy general director of the Petersburg Property Fund. The day before, the investigation presented formal charges in the final wording to the accused and his attorney, and made available to them four volumes of the criminal investigation. Fishkov is currently being charged under three articles: 172-a—"Negligence;" 88-1—"Illegal foreign currency operations;" and the recently introduced 170-1—"Abuse of official position."

Let us recall that Aleksandr Fishkov, who was responsible for conducting voucher auctions in the Property Fund, was arrested on 7 October of last year during an interrogation at the GUVd [City Administration of Internal Affairs] administration for combating economic crimes. The cause for initiating criminal proceedings was the discovery that the fund was short 13,500 privatization vouchers. Property fund employees in positions of responsibility were unable to explain how such a quantity of vouchers had disappeared from the fund; whether they had been canceled or not; and, generally, whether these vouchers had physically existed or had only been recorded in documents.

Soon after Fishkov's arrest, however, privatization vouchers and this official's activities in the fund quickly ceased being the main subject of his interrogations. Most of all, law enforcement organs were interested in a dacha in Repino settlement, purchased with Fishkov's parents'

money. The prosecution insists that Aleksandr Fishkov paid for the dacha in cash in foreign currency and hence violated existing legislation.

The Oktyabrskiy Rayon People's Court twice declined the defense attorney's petition to change the measure to secure the appearance of the accused to a pledge not to leave town—in October last year and January this year. In both instances the court cited as the main argument for its ruling the presence in the charges of the "grave" Article 88 and Fishkov's high position before his arrest.

Since the completion of the preliminary investigation is the time to summarize the initial results, one cannot fail to note the investigation time frame, which set a record by current standards. These days not every criminal case involving petty theft can be squeezed into four months. As to sensational cases—of which there have been quite a few lately—they drag on, as a rule, for more than a year. The "grave" Article 88 permitted them to extend the investigation in Fishkov's case for up to a year and a half. Moreover, even the city procurator could authorize a six-month investigation term, without having to go Moscow for permission. Nevertheless, the investigator asked for only four months, got it with no problem, and—completed it on time.

The official explanation for such unprecedented vigor is obvious: The investigator chooses the time frame at his discretion. Keeping in mind, however, that the accused languishes in jail, it is in the interests of operative services, as a rule, to drag it out. The "client" is right there; you can work with him at an unhurried pace. The longer he stays there, the worse his psychological state of mind and the greater the chance of obtaining new interesting information from him.

The only explanation of the "Fishkov phenomenon" worth looking at is in the area of political considerations. The criminal case against Fishkov occurred at the time of another round of radical changes in the disposition of forces on the political scene. What was topical four months ago may possibly produce completely the reverse effect today, or lose significance altogether.

Before the October armed clash the opposing forces actively looked for compromising materials on each other. Suffice it to recall the Yakubovskiy theme that was a permanent fixture in newspapers. The special services turned to Fishkov, too—already under arrest—in search of this kind of compromising material. They were interested, among other things, in one of the most active people on Chubays' team—Dmitriy Vasilyev, deputy chairman of the State Committee for the Administration of State Property.

Another discovery that came out of the "Fishkov case" was the fact that the office and home telephones of the property fund's top officials had been wiretapped. Authorization issued by the supervising procurator is dated March of last year. Fishkov was among the persons whose telephones had been tapped.

There was, for instance, a recording of Fishkov's conversation with Aleksandr Kokh, former deputy chairman of the committee for the administration of city property. In response to Fishkov's justified argument that the property

fund was not prepared to conduct privatization auctions and his proposal not to rush it, the interlocutor assures him that everything would be fine and insists on keeping up the pace of privatization. Several weeks later Fishkov would be sitting in a preliminary investigative detention facility on charges of negligence.

An important circumstance that draws one's attention is that if we agree with the prosecution's position, Fishkov's "criminal actions" began at the earliest in the summer of last year. In particular, the payment in foreign currency for the dacha in Repino—assuming it did indeed take place—happened in June, and the loss of the vouchers—in September. At the same time, the special services had by then been authorized several months earlier to listen in to property fund employees' telephone conversations. Let us point out that they have to present sufficient cause in order to have wiretaps authorized. In other words, if a certain person is under suspicion and this suspicion has grounds, the procurator has the right to authorize covert surveillance, including wiretaps. It is not known what kind of sufficient cause the special services had with respect to the property fund almost a year ago.

Wiretaps on Fishkov's telephones also brings up at least two more questions. If we assume that the disappearance of the vouchers from the property fund was a result of someone's machinations, a regular wiretap on telephone conversations should easily have produced an answer as to where and how the privatization vouchers had disappeared. However, to our best knowledge, the investigation does not have an answer to this question. In addition, according to the investigation's version, the transfer of foreign currency as payment for the dacha was done in Fishkov's office at the property fund. The subject of transferring such a large amount of money would inevitably have cropped up in private conversations. However, wiretap materials do not confirm this fact in any way, and the entire case against Fishkov under Article 88—"foreign currency dealings"—is built only on the testimony of the other participant in the deal—the seller of the dacha.

In an article entitled "The Roulette Wheel Stopped on Black" (NEVSKOYE VREMYA 8 December of last year) on the subject of the "Fishkov case" we looked in great detail into the circumstances related to the charges against Fishkov on "foreign currency dealings." The first item that raised questions then was why the charge of violating foreign currency operations had been brought only against Fishkov, since the law envisages the responsibility of both participants in a foreign currency deal. Moreover, the investigation has in its possession a document showing that Mr. K.—the dacha seller—was loaning foreign currency out with interest, that is, not only conducting foreign currency deals but also making a profit from them. No charges have been brought against Mr. K., however; moreover, he was not even asked to sign a pledge not to leave town.

At that time we advanced the hypothesis that Mr. K., who was planning to move permanently to America, would definitely leave Russia without waiting for Fishkov trial. Two weeks later, in December of last year, the main witness in the Fishkov case, Mr. K., indeed moved to America permanently, and there is practically no chance of getting him to appear at the upcoming trial.



Most likely the court will not hear the first-hand testimony of this man and will have to make a ruling on this part of the charges exclusively on the basis of the preliminary investigation materials.

### **Electoral Groups Viewed**

944F0417B St. Petersburg NEVSKOYE VREMYA  
in Russian 16 Feb 94 p 3

[Article by Viktoriya Rabotnova and Vadim Tyagniryadno under the rubric "Elections-94": "Pilgrimage to Power"]

[Text] The first phase of the City Assembly election campaign is coming to a close. Just a few days remain until the deadline for registration of candidates for deputies. At midnight on 18 February the electoral commission will stop accepting signature lists from coalitions and independent candidates. The statute on elections envisages two methods of candidate nomination in majority-based districts—self-nomination and nomination from a public association. Self-nomination requires the collection of 2,000 signatures in one of 50 districts. Electoral coalitions' task is somewhat easier: They need to submit 35,000 signatures, after which the coalition may field one candidate in each district. It is worth remembering that 38 coalitions have submitted registration applications, of which 34 have been cleared by the city electoral commission to participate in the election campaign. Not all made use of this right—realistically, 24 coalitions have begun signature collection. Although this does not mean that the rest have given up on their plan to place their candidates in the assembly. For instance, the unregistered "Entrepreneurs Forum" intends to field representatives in 15 districts. They will run in the elections as independents. Many candidates included in coalition lists also collect signatures on their own in parallel—as a fallback. And some have managed to get placed on the lists of several coalitions at the same time.

We are offering you a brief review of electoral coalitions that have begun signature collection. It is quite difficult to determine the political coloration of many coalitions. Of course, as in Elections-90, both communist and democratic blocs are represented. But this distinction is not as clear-cut today—four years ago it would have been impossible to see a former member of the CPSU oblast committee and a former Democratic Russia cochairman coexist on the same list.

For a considerable number of candidates this is not the first election campaign. Many have experience of working in the city soviet, and in the Congresses of Russian and USSR People's Deputies. Many participated in the recent election campaign to the Federal Assembly.

### **Democratic Unity of Petersburg**

The Democratic Unity of Petersburg [DUP] is the fruit of a pre-election accord of parties, public movements, and organizations of a democratic orientation, many of which are quite well known in the city. The bloc was set up at the beginning of the year by seven founders: the Christian-Democratic Union, the regional branch of Democratic Russia, the Free Democratic Party, the Republican Party, the Memorial human rights society, the Economic Freedom Party, and the Society of Russian Solidarists.

The DUP has brought together supporters of proceeding with socioeconomic reforms, and aligns itself with the right-of-center coalition in the State Duma, that is, Russia's Choice, PRES [Party of Russian Unity and Accord], the 12 December Union, and part of Yabloko [Yavlinskiy-Lukin-Boldyrev bloc]. In their platform statements bloc members emphasize support of entrepreneurship.

The DUP signature list contains 22 names; altogether, the coalition submitted 43 candidates to the electoral commission. The DUP leaders have succeeded in putting together a team that has an impressive abundance of well-known names of politicians, figures of science and culture, entrepreneurs, and industrialists. At the same time, the bloc's list proved quite diverse. The coalition is headed by A. Belyayev, member of the Federation Council and a former city soviet chairman. Also on the DUP list: N. Arzhannikov, former deputy chairman of the Russian Supreme Soviet human rights commission; M. Chulaki, writer and democratic movement activist; the famous jeweler A. Ananov; Baltic Plant Director Oleg Shulyakovskiy; and Igor Soshnikov, SvDPR [Free Democratic Party] cochairman. Entrepreneur Ilya Baskin also is running on the DUP slate.

Many DUP candidates have already had the experience of the pilgrimage to power in the recent past. First and foremost 13 former city soviet deputies. Among them are Nikolay Zhuravskiy, former chairman of the commission on housing policy; Andrey Krylov, former chairman of the commission on economic reform; and Aleksey Reshetov, one of the leaders of the Leningrad Oblast farmers' movement. Also on the bloc's list are former all-Russia deputies Nikita and Mikhail Tolstoy. Former high-ranking mayoralty functionaries also vie to return to the levers of city administration: Yelena Drapeko, former chairman of the culture committee, and Vadim Kalinin, chairman of the Port-Bank board of directors, who came to his current job from the post of deputy chairman of the Committee for the Administration of State Property.

### **The Petersburg Branch of the Russian Creative Union of Cultural Workers**

The Creative Union of Cultural Workers took advantage of its position as nearly the only creative association that has the right to participate in the elections and fielded its own list of candidates.

The Creative Union runs first and foremost under the banners of protecting culture and defends the interests of people who work in this sphere. The association sees as one of its main tasks preservation of the city's system of cultural establishments—libraries, houses and palaces of culture, cinema theaters, etc. Most names on the registered list of 11 candidates are heads and functionaries of various cultural, educational, and science establishments, who are not too well known to city residents. Among them are the rector of the Humanities University, Aleksandr Zanesotskiy; the director of Imeni Rerikha School, Sergey Kirpichev; and the director of Imeni Lensovet House of Culture, Lyudmila Trofimova. The most colorful figure on the list is Aleksandr Ilyin, in the past a circus performer and now a well-known folk-medicine healer. Also nominated together with the Creative Union is Aleksey Kovalev, former

deputy of the latest city soviet, who acquired some fame at the end of the 1980's through his actions in protecting architectural landmarks, and then actively fought the mayoralty's comprehensive city planning projects.

#### Independent Association 'Business Petersburg'

In addition to V. Kharchenko, president of the Union of Associations of Industrial, Construction, Science, Transportation, and Communications Enterprises, the bloc's list includes V. Zanin, general director of the NPO [scientific-industrial association] Signal; I. Konoval, general director of the Plastpolimer AO [joint-stock company]; V. Zhimirov, general director of the Almaz AO; Yu. Trusov, general director of the Ptitseprom AO; and V. Rudenko, director of the clinical center for advanced medical technologies. In the same list are film director V. Bortko and V. Orlov, chairman of the presidium of the Foundation for Aiding Residents of Blockaded Leningrad. (A total of 11 candidates.) "Business Petersburg" leaders point out that the bloc unites people who do not need to be taught—they have a good idea of the mechanism for solving city and sectoral problems.

"Business Petersburg" intends to bring up a score of draft laws at the very first session of the City Assembly. The goal is to make it profitable for goods producers to preserve and create jobs; support the population's investment in residential housing construction; increase the role of local taxation; and bring the city's credit and finance system in line with the interests of the population. The bloc also intends to propose a program for setting up enterprises for the production and sale of goods intended for low-income population groups.

#### The Constitutional Democrat Union of St. Petersburg

Registered in December 1992. Its ranks are relatively small—about 100 members. They are mainly research associates of academic and other institutions. According to the union's leaders, they try to accept into their organization only those they trust completely. Neither do cadets [constitutional democrats] approve of chasing famous names. In addition to their party leader Aleksandr Kozyrev, the Union nominated Maritime Technical University Professor Aleksandr Fedorov, Agrobusiness Academy instructor Boris Gavrilov, Semen Vaykhanskiy, a leading research associate of the TsNII [central scientific-research institute] of fuel apparatuses; and other members of the science and technology intelligentsia.

The Union supports the soonest possible implementation of reforms, reorganization of the judiciary and law enforcement organs, and development of self-rule. Cadets see the main task of the state as ensuring the rights and freedoms of citizens—everything else the citizens will do for themselves. Overall, they consider themselves successors to the cause begun before the October revolution—the cause of building a law-based state.

In the event all the candidates from the Constitutional Democrats Unions are elected to the City Assembly, they will vote for changing the existing statute on the structure of organs of power in St. Petersburg. Cadets would like to see the representative body have broader powers and the restoration of balance of the branches.

#### Official Reprimanded for Receiving LDPR Group 944F0417C St. Petersburg NEVSKOYE VREMYA in Russian 24 Feb 94 p 1

[Report by Vadim Stasov: "A Suit Against the Boss: Dmitriy Sergeyev Prepares for a Court Battle Against the Mayor"]

[Text] First Deputy Mayor Dmitriy Sergeyev is preparing documents to challenge in court the reprimand given to him by Sobchak for meeting in the mayoralty with the delegation of the Duma faction of the LDPR [Liberal Democratic Party of Russia] headed by Zhirinovskiy, which took place while the mayor was on an official trip to Norway. This was announced by the deputy mayor's chief of staff, Vitaliy Voytsekhovskiy.

He also added that his boss at this point has not received the official paper, and it is not quite clear whether a reprimand had indeed been issued and in what wording. Dmitriy Sergeyev learned of it only from the mass media. This did not stop him, however, from preparing the needed documentation, which will be handed over to the court, in the event he does receive the official paper from the mayor with the wording quoted in the press.

#### LDPR Group Prepares for Local Elections

944F0417D St. Petersburg NEVSKOYE VREMYA  
in Russian 11 Feb 94 p 1

[Report by Ilya Desyaterik: "Somehow They Found Half an Hour"]

[Text] A delegation of the Liberal Democratic Party of Russia [LDPR] faction in the State Duma, headed by V. Zhirinovskiy, arrived in Petersburg yesterday.

Apparently, one of the purposes of this trip is preparation for the March elections to the City Assembly. This is how V. Zhirinovskiy commented at the press conference on his party's defeat in Petersburg during the elections to the State Duma. He said that with the exception of the mafia—in which he included scholars, jurists, artistic profession, and "bomzh" [people without an established place of residence]—nobody voted for Russia's Choice. As to other voters suitable for the LDPR, according to Zhirinovskiy, Petersburg does not have any.

The LDPR delegates delivered their request to postpone the elections to the Petersburg City Assembly to Dmitriy Sergeyev, chairman of the mayoralty committee on economic development. Naturally, they had gripes against the city's mayoralty as well. V. Zhirinovskiy told D. Sergeyev that "town governor Sobchak had no right to leave the city knowing that the LDPR delegation was coming."

The mayoralty committee for economic development refused to comment on V. Zhirinovskiy's visit. The committee's press service only said that the meeting with the LDPR leader had not been planned, but they have managed to find half an hour for it.

### **Poll on Voting Intentions Shows Differences From December**

944F0417E St. Petersburg NEVSKOYE VREMYA  
in Russian 4 Feb 94 p 2

[Article by R. Mogilevskiy, general director of the Sociological Scientific Research Center Joint-Stock Company, under the rubric "Social Monitoring": "A Choice for Centuries?"]

[Text] Three-quarters of Petersburg voters would vote today the same way they did on 12 December. On the other hand, 7 percent of those participating in elections today would not turn out altogether, and another 10 percent are not certain they would vote the same way. Another 7 percent of voters today would vote differently.

The greatest number of those who definitely would change their decision are among those who voted by party lists—4 percent. The smallest—in federal and one-seat districts—1 percent each. Thus, had the elections taken place today, the Petersburg electorate most likely would have reaffirmed its choice. The only questionable variable is the outcome of the referendum, which required a 50 percent plus one electoral turnout.

The elections are an accomplished fact, however, and now Russian voters may watch their doing. It appears that their observations do not add to their joy. In any case, in Petersburg only 9 percent of respondents are satisfied with the composition of both chambers of the parliament; only 2 percent are satisfied with the composition of the State Duma, and 5 percent—with that of the Federation Council. Those not satisfied with the composition of either the State Duma or the Federation Council comprise 45 percent, and 40 percent have no opinion. Of course, different groups of voters have a different idea of the approximate composition of the parliament chambers. It is clear, however, that the deputies' authority in the eyes of Petersburg voters is low.

In discussions over the past few weeks a hypothesis was advanced that the success of the LDPR, which received about [figure illegible] 8 percent of the vote in Petersburg, was due to the fact that the candidates had been able to recruit new, previously passive, groups of voters. Our research does not support this hypothesis. Ninety-two percent are voters who after 1990 have participated in all or almost all elections and referendums. So most likely a certain change in the preference structure is to be explained by a shift on the part of the electorate to different political values and social expectations.

Thus, on the threshold of elections to the City Assembly, voter preferences remain practically the same as they were before 12 December. The political fate of the representative branch in the city will be decided by a group of "familiar" voters, of whom more than 60 percent are women, 70 percent are persons over 40, about 70 percent have higher and intermediate vocational education, as a rule working, and more than 60 percent are workers and office workers. The assembly composition will depend on whether the candidates find arguments and political programs that will preserve or change these people's choice, for, as research shows, it is hardly possible to count on a mass influx of new voters in March.

The survey was conducted by the St. Petersburg Sociological Scientific-Research Center by way of telephone polling. The sample included 1,105 respondents. The statistical error along controlled parameters (sex, age, and education) is within 3 percent.

### **Bloc Nominates Vice Mayor**

944F0417F St. Petersburg NEVSKOYE VREMYA  
in Russian 12 Feb 94 p 1

[Report by V.P.: "'Center' Holds Strong Promise"]

[Text] Deputy Mayor of St. Petersburg Vyacheslav Shcherbakov and the city soviet's former deputy vice chairman, Boris Moiseyev, have been nominated by The City We Love coalition.

Moiseyev is convinced that, having received new mandates, candidates of The City We Love coalition will not let the administration rest in peace and will actively defend the interests of city residents. At the same time, emphasized Boris Aleksandrovich, we are not talking about confrontation with the executive branch: The previous legislative body had normal working relations with the mayoralty's committees, and this cooperation should be continued.

Commenting on Sobchak's decision, which bars him as deputy mayor from running for the Assembly, Vyacheslav Shcherbakov said that he will leave his job if he becomes a deputy.

Yuriy Boldyrev has already endorsed The City We Love coalition. Also announced at the press conference was a statement signed by Oleg Bogomolov, Stanislav Govorukhin, and Sergey Bogomolov, who also support the bloc's program planks.

**Members of the Our City Is Our Home coalition also call themselves centrists.**

In addition to the Liberal Club, the founders of this bloc include the For Justice movement, the Socialist Workers Party, and the Civic Democratic Movement. Among other organizations that have joined this bloc are two charity foundations, the Association of Families With Many Children, the Center for Medical-Economic Research, the Jurists for Ecology legal center, the computer programmers trade union, and other organizations. In the opinion of the coalition's organizers, reforms cannot be conducted by "fire and sword," without taking into account the vital interests of the majority of citizens—otherwise the result will be a vote for Zhirinovskiy's party.

In the event they are elected to the City Assembly, bloc candidates, in particular, intend to concentrate on issues of bringing the city and the oblast closer together. In the opinion of Sergey Andreyev, leader of the For Justice movement, for Petersburg residents the result will be lower prices for agricultural products and expanded selection of them.



**News From St Petersburg****Deputy Candidate on Use of Local TV***944F0408A St. Petersburg SMENA in Russian  
5 Mar 94 p 1*

[Article by Sergey Popov, senior instructor of the Technical University, candidate for City Assembly deputy: "You Fail, Gentlemen!"]

[Text] The mayoralty could not find anything better to do than to read on the radio to the entire city the data on each candidate to the City Assembly. There are a lot of candidates—750, and not much air time. So they give us less than a minute to get acquainted with each candidate.

Can the broadcasting network made available by the radio and television company be used more effectively? Of course it can. And the solution is right there, on the surface. It would suffice to broadcast in each rayon of the city only the information on candidates going on the ballot from this rayon. Then in Kalininskiy Rayon, for instance, you would only need to provide information about five electoral districts rather than 50, and in Oktyabrskiy Rayon—only one. This way, air time would be used 10 times more effectively in Kalininskiy Rayon and 50 times more effectively in Oktyabrskiy Rayon!

Is there, though, the technical capability to simultaneously broadcast different programs in different rayons of St. Petersburg? Yes, there is. In a number of rayons such "rayon-wide" broadcasting has been the practice once or twice a week for quite a while. And nothing prevented the mayoralty from organizing such rayon-targeted election broadcasts.

I think that in this rather simple matter the mayoralty uses the resources made available by the radio and television company (that is, in the final analysis, the taxpayers money) with a utilization coefficient of between 2 and 10 percent.

In any case, I usually fail my students who show this sort of productivity.

**Sobchak Loses Court Battle***944F0408B St. Petersburg SANKT PETERSBURGSKIYE  
VEDOMOSTI in Russian 5 Mar 94 p 1*

[Unattributed report: "A. Belyayev Won Lawsuit Against A. Sobchak"]

[Text] To find illegal the point in Article 2 of the Statute on Elections to the St. Petersburg City Assembly, approved by the order of the city Mayor A. Sobchak, in the part of setting a 21-year age and five-year residency eligibility requirement for deputy candidates, as well as point 4 of Article 2 of this statute, with the subsequent changes and additions, according to which the mayor and deputy mayor of St. Petersburg, deputies of other bodies of representative power and local self-rule, Ministry of Internal Affairs personnel, and fixed-term military servicemen cannot be deputies to the City Assembly. This was the ruling handed down yesterday by the city court collegium under the chairmanship of S. Masolova.

**Party Leader Suspected of Murder***944F0408C St. Petersburg SMENA in Russian  
6 Mar 94 p 1*

[Unattributed report under the "Arrests" rubric: "Bondarik Is Suspected of Removing a Party Comrade"]

[Text] "There is no politics in it," said St. Petersburg Procurator Vladimir Yeremenko, in commenting on the subject of detention and subsequent arrest of Nikolay Bondarik, one of the leaders of the Russian Party's Petersburg branch.

According to Vladimir Yeremenko, the representative of the Russian Party and three other St. Petersburg residents detained together with him have not yet been charged; nevertheless, after the detention period (three days) expired, the procuracy found it necessary to formally place Bondarik under arrest. "We have all the grounds to bring a murder charge against him within 10 days," said the city procurator.

Nikolay Bondarik and his three comrades are suspected of murdering one of the Russian Party members, Tsikharev, whose body was found in the Karpovka River in May of last year.

**Detention of St Petersburg Party Leader***944F0408D St. Petersburg NEVSKOYE 'REMYA  
in Russian 1 Mar 94 p 1*

[Report by D.S.: "Counterintelligence Has Detained Bondarik"]

[Text] Last weekend, officers of the anti-terrorist service of the St. Petersburg administration of the Federal Counterintelligence Service [FCS] together with officers of the criminal investigations department of the city administration of internal affairs, detained four residents of our city, among whom is Nikolay Bondarik, the Russian Party's branch chairman currently running for a deputy seat in the City Assembly on the slate of the Great Russia bloc.

As we were told in the press center of the FCS's city administration, the detained are suspected of committing a premeditated murder and, according to the city procuracy data, of other crimes as well. Criminal proceedings have been initiated, and the necessary investigation conducted. It appears that the detained will be formally charged in the nearest future.

P.S. The Great Russia electoral coalition is waiting to see how events develop. This was announced by the bloc's coordinator, Leonid Isakov. He hopes that it has all been a mistake and that Nikolay Bondarik will soon be free to go. At the same time, the bloc coordinator pointed out that Mr. Bondarik's arrest affects first and foremost the Russian Party rather than the Great Russia bloc. He also expressed hope that accusations against Bondarik are not related to Great Russia's political positions. In the opinion of representatives of the city electoral commission, the fact of detention and initiation of criminal proceedings cannot serve as grounds for barring Bondarik from going on the ballot for a deputy seat in the City Assembly.

### **Mayor's Office on Crime Problem, Housing**

944F0408E St. Petersburg SMENA in Russian  
4 Mar 94 p 1

[Report by Vladimir Kovalev, under the "Municipality" rubric: "The Return of People's Patrols"]

[Text] Deputy Mayor Vladimir Yakovlev proposed yesterday at the conference in Smolnyy to transfer to businessmen free of charge for the period of five to 10 years all flooded and semiflooded basements in the center of the city, of which there are currently about 1,200.

Vladimir Yakovlev also intends to attract investors from the business community to restoration of 180,000 square meters of city-owned condemned residential space on the terms of giving them 20 percent of the restored residential space. The mayoralty currently is preparing a directive on investor support for the reconstruction of 51 houses. The mayoralty also had plans to direct 56 billion rubles into reconstruction of 46 more buildings. No money has yet been appropriated from the budget, however.

The next urgent topic that has brought about a lively discussion among heads of administrations was the problem of property registration in the residential sphere. (According to information received from competent sources, 13 murders have been recorded in Petersburg stemming from disputes that have emerged during registration.) On 1 March a directive was issued liquidating design and inventory bureaus (DIB), which until then had been in charge of these matters. Anatoliy Sobchak did not like the fact that DIB's were commercial organizations, joint-stock companies, and state enterprises all at the same time. The mayor intends to transfer the registration function to the mayoralty's residential housing committee.

Another subject discussed at the conference in Smolnyy was the crime situation. A decision was made to resurrect people's patrols. There are currently 397 people's patrol detachments [PND] in the city. The mayoralty's administrative organs department will conduct the people's patrols training through its rayon branches. Meanwhile, the Smolnyy is drafting the procedures for remuneration of PND members.

Representatives of the Petersburg City Administration of Internal Affairs presented at the conference a report on combating illegal production of alcoholic beverages; they reported that on 27 February they uncovered at the medical preparations plant a "factory" that replaced the labels on Iskra glass cleaner with those of the Zvezda Rossii vodka trademark.

### **'New Initiative' Election Bloc Forms**

944F0408F St. Petersburg SMENA in Russian  
4 Mar 94 p 1

[Report by Svetlana Gavrilina: "'New Initiative' Is Confident"]

[Text] The New Initiative electoral coalition sees the main point that distinguishes it from other democratic blocs in that it was not formed on the threshold of elections, but has existed since a year ago, in the form of a club founded by a group of representatives of small and medium-sized business. Regardless of the outcome of the elections, the

club sets for itself the task of defending the interests of the middle class, which is where 43 New Initiative candidates belong.

Mikhail Zhuravlev, formerly a deputy chairman of the city soviet commission on law and order issues, pointed out in the conversation with journalists the positive points in other blocs' programs in this respect, adding, however, that realization of all programs is possible only if the authority is free of corruption.

Candidate Vitaliy Skoybeda (also a former deputy) said that his initial reluctance to run disappeared when he looked at the lists of other blocs—which, in his opinion, are not overflowing with the intellectual elite—and he now intends to enter the battle for a deputy seat.

### **Kazan City Soviet Chairman Presents Report**

944F0395B Kazan RESPUBLIKA TATARSTAN  
in Russian 3 Mar 94 p 1

[Report by V. Nugmanov: "The Chairman Has Reported and Announced a Recess"]

[Text] The Kazan City Soviet 17th Session, which opened on 2 March, worked literally for several hours. Of the packed agenda containing more than a dozen items, only the first may be considered settled.

A report on the socioeconomic and political situation in the capital of the republic was delivered by Kamil Iskhakov, chairman of the Kazan City Soviet and chief of the city administration. Having, after the report, answered deputies' questions, he announced that the session would suspend business until 16 March. The reason for the recess is preparation for the approaching elections. But was it in this case worth opening the session prior to 13 March at all?

The information communicated from the platform of the session was of interest inasmuch as it analyzed the present socioeconomic and political situation that has taken shape as of the present in Kazan and attempted in respect to certain items to find a way out of the difficult situation.

K. Iskhakov devoted a large part of his speech to problems of the defense enterprises, which are experiencing a sharp—almost 23 percent—fall in production and a wholesale reduction in orders. Despite the measures that are being adopted—a number of fair-exhibitions with the participation of the defense enterprises and the enlistment on a competitive basis of the potential of the military-industrial complex in a solution of the crisis in agriculture—and despite loans obtained in accordance with a bill of exchange of the National Bank of the Republic of Tatarstan, the situation remains very difficult. But things have become somewhat easier for "defense" following the signing of the treaty between Russia and Tatarstan. There has been a change in attitude toward the problems of our republic in "high" Moscow offices, and there is hope that the difficulties of Tatarstan's military-industrial complex will gradually be surmounted.

A whole set of most acute problems has built up in capital construction, public utilities, and power engineering. Despite the multibillion-ruble injections, for the first time last year not a single key-ready preschool was handed over.

... returns on R1 of invested capital in construction are

currently only 36-39 kopeks. The wear and tear on the service lines of the municipal economy has increased, and basic housing availability has declined, and extremely little new housing is being commissioned.

The privatization of industrial facilities is not justifying our hopes. As experience shows, the formation out of the enterprises of stock companies has been no panacea against the crisis.

Touchoing on the fulfillment of the recently adopted program for fighting crime, the chairman of the city soviet observed that approximately R1.5 billion had been invested in it already, that the numbers of the Kazan militia were increased in the past year by 1,200 persons, and that a growth of its ranks by a further 1,000 officers in the present year was contemplated. Although positive trends in the crime-solving rate has emerged, we expect of the law enforcement authorities more effective work.

Many difficulties still have to be overcome in the accomplishment of social tasks and an improvement in the system of tax collection.

As of today the arrears of the city budget constitute R59 billion, and the next item after the recess will be the session's consideration of the question of Kazan's budget.

#### **Kazan Admin Chief Reports to City Soviet**

944F0406A Kazan KAZANSKIYE VEDOMOSTI  
in Russian 4 Mar 94 pp 2-4

[Speech by Kamil Iskhakov, chief of the administration of the city of Kazan, at the 17th session of the City Soviet of People's Deputies]

[Text]

#### **On the Socioeconomic Situation of Kazan**

Esteemed people's deputies!

The relative stability in the Republic of Tatarstan and its capital has become a fact, a phenomenon against which many regions of Russia are "measuring themselves."

But a "slice of life" from the economy shows that positive tendencies have been achieved in far from all spheres and, moreover, the picture has many contrasts. What has brought this about? An in-depth analysis confirms that results are achieved in places where an active role is assigned to the city's executive team. In other words, we are speaking about possibilities—legal and financial—of pursuing a strong municipal policy.

And, conversely, where our positions have been weak—weak from the standpoint of power of the authorities and instruments of administration—there the situation remains difficult.

I have in mind above all, of course, the capital's industrial sector.

We have always been proud of the fact that Kazan is a large industrial center, a city whose economy is deeply integrated into the economy not only of the republic, but also of the USSR, which is now a part of the past. And now this situation is a kind of heavy cross which the city has to bear. Suffice it to say that the financial situation [part of text missing].

Searches for the most effective model for combining market relations with state regulation of the economy have been under way for a whole year. And although stability has not come to the industrial sector, certain positive strides cannot but be noted.

The results of 1993 show that the decline of industrial production, as predicted, has slowed somewhat, amounting to 14 percent of the 1992 figure. This is somewhat better than in the republic as a whole, where the decline was 14.9 percent and for the Russian Federation, where it reached 16.2 percent.

We are very alarmed by the way 1994 has begun. According to the January results, industrial enterprises have allowed production to drop by 21.6 percent.

It does not help much to know that the major and deepest-seated reasons lie beyond our reach. They include a narrowing of the sales market, a sharp reduction of state orders, the lack of a reliable mechanism for mutual settlements, etc.

Suffice it to say that as of 1 January 1993 consumers owed enterprises of Kazan 304.6 billion rubles [R]. This sum is no more or less than about three times the monthly production volume. Naturally, this did not simply exacerbate the financial position of the enterprises, it dealt a blow to their capabilities. If there is nothing with which to buy raw and processed materials, there is no production and no final product. For the city this means a decrease in tax revenues. Such is the vicious circle.

Incidentally, almost half of the debt is from orders from the Government of Russia that have not been paid for. And if we throw in the money that has slipped out of the budget of Kazan, we are looking at a figure of R100 billion. With this kind of "makeweight," we could cover all of our shortfalls.

This pertains particularly to the question of why we should go to the Russian elections and whether we need defenders of our interests in the legislative assembly of Russia. As you see, we need them, and not so much from a political as from a pragmatic perspective!

The crisis is being felt especially strongly by "defense," which accounts for about half of all the fixed capital of the city's industry. And the record decline of production—22.7 percent—naturally had a painful effect on the economy of the city as a whole. This is where we felt the full measure of what it means to be one of the capitals of the military-industrial complex!

The republic and the city have unilaterally tried to ease the crisis here too. They have developed the concept of structural transformations of the economy. We have seen the first—so far modest—experiment in competitive enlistment of the potential of the military-industrial complex to solve the problems of the agro-industrial complex, public health, and the construction complex.

From the fund for structural rearrangement under conditions of targeted preferential credit the enterprises of the city were allotted more than R6.7 billion in 1993. The situation was eased considerably by the bill of exchange from the National Bank of the Republic of Tatarstan, which made it possible to make one-fifth of the mutual



settlements. It should be stipulated that we cannot allow ourselves the luxury of using purely cost-oriented mechanisms. Project and business plans of enterprises must meet the requirements of both economic expediency and the possibility of recoupment.

In the summer of 1993, on the initiative of the administration, the first trade fair, called "Entrepreneurs and Production," was organized in the city. Participating in it were 84 entities of the nonstate economy. In so doing they managed to generalize and bring to the enterprises of the military-industrial complex, which were experiencing an extreme shortage of orders, a whole package of proposals from entrepreneurs of the "new wave."

Last week, from the 24th through [text missing] which received a positive response from both industrial and trade enterprises. Displaying their products at the exhibition were 91 enterprises with various forms of ownership not only from the city but also from other regions of the CIS. For the first time, broad masses of the population had an opportunity to see peacetime products from the city's converted enterprises, since Kazan alone was represented by 22 enterprises and organizations of the defense complex. The preliminary results show that during the course of the exhibition, its participants scheduled the conclusion of about 350 agreements for a total of more than R20 billion. About R30 million worth of goods was sold to retail trade. Thus, the results of the exhibition show the expediency of taking such measures.

As I have already said, all these measures were unilateral in nature. And, undoubtedly, such a counterbalance is not capable of halting the decline of state orders for the military-industrial complex, which has gathered immense speed. Thus, while in 1991 the Government of the Russian Federation reduced orders for "defense" by 22 percent, in 1993 the volume of the state orders here engaged less than one-fourth of the capabilities of our enterprises.

Now, after signing the agreement with Russia, we have the hope of a civilized solution to such collisions. The more so since the federal government, judging from everything, has followed Tatarstan to the conclusion that the course of the reforms in this stage require not weakening but strengthening of the state's role.

If we listen, we will hear that Moscow is starting to speak our language. State authority must be strengthened, and the economy requires control in the transition stage. But the main thing is that the agreement is already producing concrete, positive results: The federal government has begun to pay its debts, and the process of granting credit for conversion has started. Enterprise managers who have visited Moscow share the impression that there has been a sharp change in the attitude toward Kazan's initiatives, and the atmosphere in the high offices is fundamentally different.

As concerns the relatively narrow scope of the municipal policy, its object has been and still is to produce goods that are useful to the people. A careful selection of objects for financing, in-depth expert appraisal of business plans, strict control over the expenditure of target funds, and other instruments are gradually proving their effectiveness. Thus, the Tochmash Plant assimilated the output of more than 40 items in barely three years. During the same

period, Elekon assimilated the output of more than 50 new items. The most promising and significant of them are various kinds of laser equipment and instruments for diagnosis and treatment of diseases in the areas of dentistry, cardiology, and gynecology. They have been supplied to the first laser center in the CIS, which was created on the basis of the association's polyclinic. At the present time the helicopter association has developed and introduced about 20 kinds of consumer goods. Among the latest innovations of the engine construction association are synchronized electric motors to be used for various purposes. The Terminal Association is producing equipment for counting banknotes, money accounting machines, strongboxes, computer equipment, anti-hijacking devices, and a broad assortment of consumer goods. In conjunction with the Medinstrument scientific production association, they are producing a mobile pneumatic drill for dentists.

As a result, 11 percent more goods have been produced with the trademark of the military-industrial complex than in 1992. True, in the city as a whole, according to the results of the year, the volumes of output of consumer goods has decreased by 4.9 percent. [Text missing] the decline was twice as great.

The condition of the industrial "knights in shining armor," including the flagmen of the military-industrial complex, undoubtedly has a painful effect on the economy of the city as a whole and on its social microclimate. The downsizing of production leads to a reduction of the tax base and, consequently, to a reduction of budget capabilities.

All that is fair.

At the same time, the practice of reform forces us to pay more and more attention to microeconomic processes. And because of their nature and position, the local authorities are responsible for precisely the "trivia of life."

The picture, briefly, is as follows. The production of foodstuffs in 1993 as a whole increased by 11.9 percent. Here is the breakdown of the growth for individual groups: sausage items—7.8 percent, fatty cheeses—40 percent, butter—almost 1.5-fold, and confectionery items—17.2 percent.

Note that this is not a decline but actually growth. And in the high echelons of power they have heard this assessment, expressed with relief: Kazan is finally working independently in the area of the food policy.

On the whole, the results of the year make it possible as a minimum to maintain the existing level of consumption of the main food products. Consequently, we need not speak about a crisis of the food complex. As for rumors about famine among the people, let these discussions remain on the conscience of failed politicians.

The agrarian sector of the republic, in which we are also investing a good deal, is becoming a field for studying experience. The Government of Russia has expressed a readiness to make large investments in our food complex. And here, as we see, the seeds of the agreement are already beginning to sprout.

Of course, a strong food policy comes with its own price tag. Stable provision of food products was achieved through active state support of the commodity producers.

The budget took over half of the costs for increasing the fertility of the land, and building enterprises of the food and processing industry; there are still significant subsidies for grain and milk, etc., etc.

The money for a strong food program, naturally, does not grow on trees; it has been earned and collected, including on the territory of Kazan. Thus, we have every reason to say that the city is responding adequately to the condition of the food market.

#### **On the Situation of the Construction Complex**

Runaway inflation, which has made long-term investments disadvantageous, and the state's investment policy, which is growing weaker and weaker—these two factors are quite enough to lead the construction complex to ruin.

And in Kazan this means 118 construction organizations and 17 enterprises of the construction industry, which employ more than 33,000 people.

Thus, radical steps were necessary in order to preserve the capital's construction potential. And the basic regrouping of the client forces became such a turning point. Thus, while in 1991 enterprises and departments accounted for 70 percent of the construction of facilities of the social sphere, and the local soviets—only 30 percent, and this was largely with capital of debtor enterprises, now the ratio has changed to exactly the opposite. Namely, the municipal order has grown to 70 percent.

And it must be noted that the solutions to all the problems related to the development of the city, which used to pass through numerous departmental channels, is now fully our responsibility. During January-December 1993 R77 billion in capital investments were made in construction of facilities of the social sphere.

It is clear that when the city administration was the main client, it was possible to change the ratio between facilities for production and nonproduction purposes in favor of the latter. As compared to the previous year, 1.5 times more accommodations for schoolchildren were introduced, polyclinic accommodations—4.2 times, and seating in public catering facilities—double.

At the same time, there were arrears in municipal services networks—by 20 percent, and trading areas—by 40 percent.

It must also be noted that for the first time in many years not a single children's preschool institution has been released in turnkey condition, although they are being constructed, and the same is true of consumer service enterprises. Little consolation is provided by the fact that because of the higher prices there has been a sharp decline in the demand for municipal services, and the number wishing to attend kindergartens is not increasing but decreasing.

As before, the most burning problem is housing, which is aggravated even more by the problem of Kazan slums. The program for resettlement of residents from damaged, dilapidated, and flooded buildings must reach the mark of releasing 500,000 square meters of new residential space per year.

In 1993, of the overall volume of nonproduction capital investments, 57 percent was used for housing construction. The result was 361,300 square meters, which is 100.4 percent of the projection.

I can say unequivocally that construction workers are far from reaching the limit of their capabilities. One of the reasons lies within the complex itself. This is the poor effectiveness in the organization of construction.

In 1993 construction organizations with all forms of ownership introduced fixed capital valued at R41.8 billion, which is R64.5 billion less than the amount of capital investments utilized. For each ruble of invested capital, there are only 39 kopeks (in the republic as a whole—46 kopeks) in fixed capital that is introduced, while back in 1985 this indicator reached 82 kopeks. Thus, as compared to 1985 the effectiveness of the introduction of fixed capital has decreased by half.

Market mechanisms in capital construction have not yet been fully set in motion. As before, most of the introduction of facilities comes at the end of the year, the construction front remains extremely broad as before, and capital investments are being dispersed among a large number of construction projects.

On the other hand, one cannot but recognize that a strong investment policy requires full-fledged financial support from the client. And the city has been catastrophically short of money, especially recently. Thus, our debt to the construction workers as of today is about R24 billion.

Problems of finances and the budget as a whole will be discussed later. Here I shall limit myself to the remark that the administration is placing a certain amount of hope on housing auctions. We laid the groundwork for this new mechanism back in the middle of last year, when we took out credit for the construction of a building. Today at least two sections are ready for sale "on the block."

At the same time, there is no doubt that the proportion of alternative investments in housing should increase. In particular, individual housing construction is being increasingly developed. While five years ago 11,900 square meters were introduced, this figure has now doubled.

But serious problems are standing in our way here. As a rule, individual construction is done on vacant areas of urban settlements or in the suburbs. Thus, "mini-cities" appear, which have to be provided with all the necessary facilities for social and cultural-domestic purposes, that is, all the amenities, it is necessary to build roads [text missing] public health, etc. All this social infrastructure requires large additional expenditures and is one more burden that the city must take on itself—there is nobody else. Even cooperation with the funds of individual builders can provide for the construction of only an individual facility, and it can in no way handle the project of comprehensive building development.

#### **On the Condition of Branches of the City Economy**

With the breakdown of the previous system of branch management, the disturbance of economic ties, and other changes in our society in recent years, there have been serious contradictions and disproportions, which have entailed a considerable increase in problems of developing

branches of the urban economy. In order to make it easier for these branches to exist under market conditions, throughout 1993 the city administration worked to transfer all branches of the urban economy to municipal ownership of the city. All of the following have been accepted for municipal ownership: 25 public health facilities, 36—public education, 300—trade, 57—public catering, 2 sports facilities, 12 movie theaters, 8 housing and municipal services enterprises, and the housing supply of the local soviets.

The State Committee on the Administration of State Property notes that Kazan is still the only region in the republic where municipal ownership is fully formed.

The basis of the economy of any city is the reliable functioning and further development of its municipal services, which determine the degree of architectural development of the housing supply, the provision of water, gas, heat, the discharge of waste waters, etc.

The housing supply of Kazan as of the beginning of this year amounted to 16.9 million square meters. One should note, however, the alarming tendency toward ever-increasing wear and tear on the housing supply. Over 10 years the volume of capital repair has decreased almost threefold: from 182,000 square meters in 1983 to 70,000 square meters in 1993.

The delivery of water into the network, including for the population and for municipal needs, increased more rapidly than did the housing supply and the number of city dwellers. This, of course, is gratifying. Something else is alarming: Every sixth (!) cubic meter of purified water in 1993 was wasted, being reflected in the indicator "leakage."

Another problem of the water and sewage works, which is typical, incidentally, of other public works systems as well, is the wearing out of the water and sewage systems, which exceeds 40 percent and is increasing every year. The city is still using systems that were built in the last century—35 percent of the water mains and 25 percent of the city sewage systems are completely worn out. The wearing out of mains is especially great in Baumanskiy Rayon, where 68 percent of the water mains are completely worn out. As a result, over five years the amount of damage has increased threefold, which, in turn, disorganizes the work of city transportation, causes appreciable economic damage, and leads to millions in expenditures on repairing them.

For the sake of illustration, allow me to give just one figure: In order to fill the gaps in 1993, Vodokanal spent R138 million. Obviously, it is impossible to refurbish all the existing mains in a short period of time. So we must provide for control of the condition of existing collectors without excavation. We need new equipment—special machines with remote control. And among the many [text missing] this problem should be priority.

When it comes to the city's energy supply, here one can clearly see a course toward increasing the amount of gas used in households. During the past five years, street gas networks have been extended by 35 percent and the number of apartments supplied with gas has increased by 20 percent.

As for heating, the development of this area is somewhat behind schedule. The balance of heating capacities and the load from consumers on centralized sources is developing today with a deficit of heat in a number of rayons of the city, above all Leninskiy and Moskovskiy. The city administration has recently adopted a number of decisions regarding this issue, and measures are being taken to stabilize the situation. Unfortunately, the problem is exacerbated to a considerable degree by the increased losses of heat in the systems. During the past five years, they have increased by 17 percent, and consequently, reserves for economizing exist here too.

As of today almost all branches of the urban municipal economy are operating at a loss, requiring an annual subsidy of up to 40 percent of the city budget. Today the city administration is taking measures to adapt the branches to the new management conditions. Versions of an economic plan for their functioning in contractual relations with the city administration are being worked out. In order to maintain the necessary level of reliability of fixed capital, it envisions a transition to economically substantiated rates and other decisions. Ultimately it will be proposed that all municipal services get away from subsidies and earn their own money in keeping with the quality of their service.

#### Trade

A most important role in the life support for the capital of Tatarstan is assigned to branches of trade, public catering, and the sphere of services. The stability of the operation of the aforementioned branches determines the standard of living of the population.

Despite certain difficulties of the transition period, the situation in the consumer market remains relatively stable, with a tendency toward activation. The aforementioned branches are actually switching to market relations.

An ever greater role in the activity of the branches of trade, public catering, and consumer services is being played by the nonstate sector, whose proportion of the commodity turnover last year amounted to about 5 percent and, according to predictions, will increase to 25 percent this year. Market relations have promoted a considerable expansion of the assortment of the goods offered to the consumer, but at the same time the growth of prices for goods and services has significantly limited the consumer demand of the population.

The situation on the food commodities market is improving somewhat. The supply of bread, flour, cereal, sugar, and meat and dairy products last year was normal, for the most part. As early as the second half of 1993, the city was able to abandon the system of norm-setting for the main kinds of foodstuffs.

Unfortunately, at the present time the consumer market is being filled to a considerable degree through purchases from abroad. Some directors of local enterprises that produce foodstuffs have already begun to complain about the domination of goods from overseas. But the market is the market, and its laws cannot be changed. Prices in the stores have come very close to prices in the markets, and for certain products, such as sugar, they are even lower on the market than in state trade.



Thus there has been a steady tendency toward saturating the market with goods, expanding their assortment, and toward the possibility of improving the art of service [text missing] ends up with more stable prices. It is intended to continue working in this direction. The main thing under these conditions is to clearly analyze the tendencies in the development of the branch, promptly correct mistakes and omissions, and achieve more complete satisfaction of the demand of the population.

The experience of many regions of Russia where the level of privatization of trade is much higher than in Tatarstan, for example, shows that an unregulated, "savage" market has led to partial elimination of self-service in trade and to interruptions in the sale of small and unprofitable goods (matches, salt, bread, and milk).

Hence, our task is to start in our policy not from theory, but from practice, from the realities of the day.

There is a serious lag in the republic industry for the production of industrial goods. Because of this, and in order to saturate the city consumer market, goods valued at R17.4 billion have been purchased outside the republic.

Problems of getting started, naturally, are reflected in prices. So far, they are still somewhat higher than, say, in Moscow. But when this mechanism is developed and stabilized, when signs of saturation or a certain surplus appear, and the levers of competition begin to function among producers and in trade—then the price mechanism will be regulated.

A great deal, of course, will depend on the course of the economic reforms in the republic.

#### On the Course of Privatization

Privatization is an indispensable part of the process of creating competitive market relations during the course of the implementation of the economic reform. A detailed analysis of the state of affairs in this area of our activity will be presented in the report from the Committee on Management of Communal Property. Therefore, I shall discuss only certain aspects, which cannot but be noted when evaluating the socioeconomic and political situation.

As of today, what are the results of privatization in the city of Kazan, and what is the dynamic of this process? From the standpoint of numerical indicators, they do not really satisfy us. But something else gives us hope: We have laid a reliable foundation for further work.

During the course of privatization, we have revealed many problems that have demanded solutions and have naturally directed all of us toward increasing the efficiency of the operation of enterprises. What percentage of the shares should remain under state ownership for now, how should "gold shares" be introduced and where, and what should be done so that facilities for social and cultural purposes do not suffer?

The results of privatization in 1993 are practical experience whose study will enable us to avoid a number of mistakes and blunders in the future and also to carry out the process of privatization in the city more fruitfully and at accelerated rates.

By the beginning of this year, 13 industrial enterprises of the city had been converted to joint-stock companies. After January, their number had increased to 28. Among them are such giants as Organicheskiy Sintez, KMPO, KVPO, and others. Although it must be noted that the results of the production activity of joint-stock companies has still not produced the desired effect. As of 1993 the decline of production volumes at their enterprises amounted to 18.5 percent, which is higher than in the city as a whole. During January the reduction of production volumes at them amounted to 26.7 percent.

Of course, conclusions here would be premature; the joint-stock companies are only at the beginning of their path. At the same time, it is clear that the creation of joint-stock companies in and of itself is not [text missing].

When speaking about the course of so-called small-scale privatization, one should note that its main areas have been the spheres of trade and public catering.

At the present time 26.9 percent of the stores turned over for municipal ownership have been privatized and six trade facilities have been sold at auction. In the sphere of public catering, three enterprises have been privatized and seven facilities have been sold at auction. Of the consumer service facilities, eight enterprises have been privatized, as have two in the sphere of municipal housing.

And although the rates of privatization still lag behind those earmarked, all the conditions for speeding this work up already exist.

We are disturbed more by another aspect of privatization—not quantitative, but qualitative. We understand quite well that the administrative-vertical system of administration, at least in the sphere of service, has run its course. But it is also impossible not to manage, while bearing responsibility to the population for assortment and for working conditions and for the quality of services. Still, the economic and legal levers are very, very weak so far.

Actually, it is now impossible to dissolve a leasing agreement or to take away a license or to force trade in what the population needs and where it needs it. This means that it is necessary to have laws on administrative liability for violation of the rules of trade and service and on trade and state trade employees. There is also a need to create a department for protecting the rights of the consumers, and thus the administrations of the city and rayons will have the possibility not only of controlling the process of privatization, but also of influencing its components in the interests of the population.

One of the most important elements of the process of redistribution of the property is the privatization of the housing fund. Preparations for this began long before the adoption of the law; a unified city automated information system was created, and it is already on-line.

As of 1 March 1994, in Kazan 9,522 applications had been submitted from citizens wishing to gain ownership of their apartments and 4,698 families, or 1.7 percent, have already become owners of housing, while more than 7,000 contracts have been prepared to be issued to citizens.

### Foreign Economic Issues

One of the important areas of concern under the conditions of the transition to the market should be the attraction of foreign investments. We regard the activity of foreign capital in the city's economy as one of the factors contributing to making economic life more active.

Foreign investments may be made through granting credit, buying shares in enterprises of the city and real estate, and also through having foreign firms create their own and joint enterprises.

At this stage, foreign investments are made mainly through creating enterprises with foreign investments. As of today there are 78 of these in the city, which make up 67 percent of all the joint ventures of the Republic of Tatarstan. There are also 23 representative offices of foreign firms operating in the city.

Active work for attracting investors to the city economy is continuing. Thus, for example, in order to develop a base for the construction industry, the creation of the Plastbau joint venture is now being completed. The plant opening is scheduled for 31 March. The enterprise's main task is to produce construction elements according to Italian technology for 1,000 cottages or apartments per year. The amount of the investments from the foreign partners was 7,200,000 [text missing]

The bidding for reconstruction of the Kazan airport, which was summed up this past 22-23 February, resulted in a victory for the French firm Bouygues, which proposed the best plans and financial arrangements for the reconstruction work. Additionally, this same firm, getting its stride, is taking on the reconstruction of the Kazan Hotel. The project is estimated at \$68 million, and the French are investing \$54 million, or 80 percent.

The example of the construction of a modern pavilion on the area of the VIKO [expansion not indicated] (the former VDNKh [Exhibition of the Achievements of the USSR National Economy]) is curious and instructive. The German firm was unable to return to the Government of the Republic of Tatarstan the credit it had taken out, and as a result the pavilion became our property.

Let us note that we have managed to invigorate foreign economic activity with practically no legal base, no laws, and being bound hand and foot.

But now, since the Moscow "summit," the Iron Curtain has been lifted. One of the first examples: The grand joint Russian-Tatarstan project has gotten off the ground—the Kazan Logistics Center. The TESIS (Technical Assistance to the CIS) Committee in Brussels has approved the program for technical assistance to the Russian Federation from the European Union, one of whose points is the plan for the creation of a logistics center. The next stage will be for the corresponding EU Commissions to hold bidding for designing the center.

In order to regulate the legal, organizational, and economic principles of foreign economic activity, the session of the Supreme Soviet of the Republic of Tatarstan adopted the law "On Foreign Investments." A program for attracting foreign investments is being prepared at the city level, and incentive funds will be created for them: land, real estate,

and financial. For those foreign financial groups that will be investing money in branches that are priorities to the city and thus contributing to solving the city's crucial problems we intend to grant tax and other benefits.

### Social Policy

Our entry into the market has generated quite a few previously unfamiliar problems, whose solutions require additional expenditures. Thus, the stratification of the society according to income has defined that part of the Kazan residents who are now faced with the problem of survival. And today we are all disturbed by the question of how to organize social protection for people who need it and make it more active.

Targeted protection of the population is undoubtedly the radical solution that practically everyone today regards as a complex of timely state measures capable of if not balancing out then at least easing the pressure of market forces.

In order to solve this problem, the city has created a unified service for social protection of the underprivileged strata of the population, and the organization of an information bank based on the official passport of the individual is in the stage of completion. Card files have been created of orphan children, disabled persons, families with many children, elderly couples who are living alone, participants in the cleanup after the disaster of the Chernobyl nuclear power plant, and other categories of the population who are in need of our increased attention. Today we include among them more than 115,000 Kazan residents to whom just last year material aid in the amount of R29 million was given out of the city fund for social support. The sum not so [text missing] of the entire complex of work conducted on this plane.

Designating 1 October as the Day of the Elderly has become a good tradition in the city. In spite of certain difficulties, 17 Veteran stores are continuing to function in the city, emergency social assistance departments have been opened up in two rayons of the city, and work is being done to create a network of medical-social facilities. The city social rehabilitation center for disabled children was opened up in December 1993, and work is being done to create facilities to stay overnight and a center for comprehensive service for pensioners.

Questions of a stage-by-stage transition to payment for housing in an amount that provides for reimbursement for outlays, taking into account benefits for certain categories of the population, are in the stage of being developed.

The market is the market, but today we cannot let city dwellers go without our attention and assistance.

### On the Condition of the Fight Against Crime

The fight against crime remains one of the major areas in the activity of state administrative organs of the republic and city. The law "On Extraordinary Measures for Fighting Crime" has become the basis that enables us to step up our attack on crime even more.

The reinforcement of the city militia personnel is continuing; in 1993 it increased by 1,200 people. This year it is planned to introduce an additional 1,000 staff units.

It was proposed to the leaders of the seven largest enterprises of the city that they create on their territories on a contractual basis militia divisions for protecting the facilities belonging to them. These subdivisions have been created at the imeni Gorbunov Kazan joint-stock production association, the Orgsintez joint-stock company, the Polimerfoto plant, the KVPO, and others.

In order to prevent apartment burglaries during 1993, 1,636 apartments were equipped with burglar alarm devices.

Proposals for financing and additional material and technical support for all rayon internal affairs administrations and the internal affairs administration of the city of Kazan were taken into account when compiling the budgets for 1993-1994. For financing the municipal militia and measures of the "Complex of Immediate Measures for Fighting Crime in the City of Kazan During 1993-1995" during the report year, R1.4784 billion was allotted from the budget of the city of Kazan, including for financing the program—R841.3 million. From the city budget, R840 million was allocated for acquiring automotive transportation, supplies, and equipment for the Patrul-Kazan ASU [automated control system].

The main thing that law enforcement organs have gained is confidence in their forces; they are filled with resolve to curb the flow of crime, which has threatened to become uncontrollable.

According to the results of 1993, the solution of crimes has risen from 53.9 to 63.8 percent. The courts received 3,314 cases more than in 1992, and this is very important.

People regard the work of law enforcement organs primarily from the standpoint of the inevitability of punishment, and we must do everything possible.

#### **On Execution of the Consolidated Budget**

The city budget is becoming a basic and ever more decisive instrument of our socioeconomic policy. Today I could not name a single municipal problem that could not be solved if we had enough monetary resources.

The year 1993 was marked by exertion of all forces to mobilize incomes. Tax, financial, inspection, law enforcement [text missing] rayon administrations for the first time collected R245.5 billion in revenues on the territory, 55.7 percent or R137 billion of which, in keeping with existing normatives, went into the city budget.

The over-fulfillment of the revenue part of the budget amounted to R89 billion (or 265 percent).

At the same time, because of price factors and other well-known reasons, budget expenditures have grown at even more rapid rates. In essence, the city administration has come up against the problem of choosing to cancel certain municipal orders or continuing to work while increasing municipal debts.

I can say definitely that the latter path was chosen, because otherwise it would have been impossible to avoid the threat of the collapse of such a complex as the construction complex and services so necessary to the city such as the association for urban planning. This is why the city's

carryover budget indebtedness for 1993 for the various branches of the municipal economy amounted to more than R28 billion.

The system of strict financial discipline I have introduced, which presupposes strictly specified expenditure of funds, pushes us toward the objective inevitability of such a factor as indexation.

Compare. Unprecedented amounts have been spent on capital repair and current maintenance of roads and other facilities for outside urban development—R16.2 billion. As a result, 1,718 million square meters of roads and sidewalks have been repaired. And almost the same amount—R15 billion—was spent to increase the wages of workers in the social-cultural sphere.

For the development of housing and municipal services enterprises, R25.1 billion were allotted from the budget; for capital repair of the housing supply and landscaping the areas around buildings—R3 billion. At the same time, because of the application of regulated rates, housing and municipal services enterprises were allotted R19 billion just in the form of reimbursement.

Analysis shows the city's need for funds for indexation of expenditures amounted to R170 billion during the year. Republic organs reimbursed the Kazan budget for only a small proportion of the funds—no more than 15 percent. As a result, practically all of the extra revenues collected—more than R80 billion—went precisely for indexing expenditures and increasing wages.

Work done for capital construction (a large part of which is free housing) cost the budget R50.5 billion. On compensation for housing construction collectives, R2.6 billion was spent.

Such is the price, in the first place, of inflation, and, in the second place, of a socially oriented economy.

In addition to this, the city budget was formed and executed far beyond its capabilities.

At the same time, it is possible arbitrarily to separate the problems that are within our reach from those that are completely beyond our capabilities.

The payment discipline of the departments remains one of the most crucial problems. According to data for 1 March of this year, the arrears on one of the leading taxes—on profit—amounted to more than R4 billion for the city.

The second most important is the income tax from citizens. The steady increase in the untaxed minimum wage—generally a good thing—leads to a narrowing of the base of this tax. Moreover, the decline of production, or rather, its consequences, have a negative effect, as do the reduction of the staffs and the work week, forced administrative leaves, etc.

In a word, the income tax is shrinking like shagreen leather.

Against this background it is quite [text missing] negligent attitude toward the budget and financial discipline.

Unsatisfactory supervision on the part of the Gorelektro-transport association led to a reduction of the volume of



paid transportation. It transported 25 percent fewer paying passengers than last year and failed to receive a total of R138 million in revenues.

The production association Kazgorzhilkhoz is not taking the proper measures to reduce defaulted indebtedness on apartment rent and municipal services. As of 1 January 1994, this amounted to R35.8 million or 22.7 percent of the monthly amount. Defaulted indebtedness is especially great in Baumanskiy (40.1 percent) and Vakhitovskiy (35.5 percent) rayons.

As a result of reducing the volumes of bathing services by 25.4 percent and laundry services by 12.2 percent as compared to the corresponding period of last year, the Kombytservis leasing association failed to receive R88.6 million in revenues.

Inspections conducted by financial organs of the city established cases of unauthorized use of funds allotted from the budget for the development of housing and municipal services amounting to an overall sum of R34 million.

Under the conditions of the transition of the city economy to market relations and the critical shortage of financial resources for solving the city's problems, questions of local taxation become crucial. Local taxes are still an unutilized reserve for Kazan. In essence, in a situation with a critical budget deficit, we have indulged in an impermissible luxury by introducing only 12 local taxes and fees of the 20 that are envisioned by legislation.

The mistake that was made must be rectified here. In this hall, at this session. The more so since the situation has become even more severe. The financial organs—federal and republic—henceforth will regard local taxes as reserves that have not been taken into account and will predict them in the revenue part of the city budget. And, in particular, all of our appeals "to above" with one or another financial initiative will be rejected, referring to the seven unutilized sources.

Actually, local taxes and fees make up a relatively small proportion. Their essence lies elsewhere; everyone must learn to live within their means and fill the treasury from their own sources.

#### **Vladivostok Mayor To Form Own 'Party'**

944F0325A Vladivostok KRASNOYE ZNAMYA in Russian  
19 Jan 94 p 1

[Article by T. Roshchina: "Mayor of Vladivostok Seeks Revenge, Creates Own Party"]

[Text] "Party," it is a word, of course, spoken emphatically. However, in this case it may simply represent a public organization of V. Cherepkov supporters which opposes the kray's "corrupt Communist groups" in power headed by Ye. Nazdratenko. All of the new organization's verbal and written efforts indicate that the latter is so.

The decision by "Cherepkovians" to form the new group was made at the last meeting held between the mayor and the community in the "Gray House" on January 15th.

After lengthy debate those gathered elected a presidium of active members and approved a name for the organization, "Assotsiatsiya izbirateley [Association of Voters]." The

name, in the opinion of those who spoke, reflects the organization's democratic atmosphere and its open membership not only for the citizens of Vladivostok, but for those in the kray, and in any other political party or association.

The primary task of the organization at present is to strive to win in the upcoming elections to the kray Duma. In doing so, the group hopes to gain a significant number, if not a majority of seats so as to present a serious legislative counterbalance to the kray executive power.

We have lost some elections, stated V. Cherepkov, and won some too, like Zhirinovskiy and Nazdratenko. We cannot waste time. Today candidates were selected from other representative bodies that will finance the elections for them. They are already being instructed on how to present themselves in public and how to appeal to the voters. Therefore, we must act in an organized fashion, not haphazardly.

As far as financing for the new organization is concerned, Cherepkov noted that an account already exists, into which money is being deposited in his support. He said that it is his desire to transfer the account over to the Assotsiatsiya izbirateley [Association of Voters].

Judging by all appearances, the organization's first step will be to submit a whole package of demands to various authorities, starting with the President and ending with the local SMIP [mass information and propaganda media]. From the president the organization is demanding the reinstatement of its former representative in the kray, V. Butov; from SMIP, the publication of a list of people who prepared the order leading to Butov's removal. The association is also demanding two hours a week of radio broadcast time from the Primorskaya teleradiokompaniya, and one hour a week of television time: like the governor, the mayor also wants his own "Mayor's Hour."

A demand was also made to put PKTV back on the air, and yes, this time without specifying to whom the demand was being addressed. While on its crusade to capture the mass media, it has not been beyond the association to utilize the services of even KRASNOYE ZNAMYA, which is not well liked by the organization. The mayor stated, for example, that "if we are not allotted at least one release a week for publishing our association's material, it will be necessary to pose the question of cutting off KRASNOYE ZNAMYA's financing at the taxpayers' expense."

Cherepkov also mentioned intentions to create yet another new newspaper (apparently at the expense the city administration), which will tentatively be called "Golos naroda [Voice of the People]," and will reflect the opinions of the voters.

For those who are curious: the association's meetings, which V. Cherepkov's will participate in - and for whom they will simultaneously serve as meetings with the community - will be conducted on Saturdays at 14:00 hours in the city administration building.

**Vladivostok Officials on Energy Crisis**

944F0325B Vladivostok VLADIVOSTOK in Russian  
25 Jan 94 p 3

[Article by V. Oshchenko: "Energy Crisis Remains Trump Card in Political Dealings"]

[Text] On Friday Acting Kray Administration Head Valentin Dubinin, Vladivostok Mayor Viktor Cherepkov, and Yuriy Ivanov, chief engineer of "Dalenergo," held a joint press conference together with directors of large industrial enterprises concerning the situation in the Primorye [Maritime Territory] power industry.

In his introductory statements, Kray Vice-Governor Valentin Dubinin noted that the situation continues to be extremely complicated. By Friday there were 532,000 tonnes of coal in the kray's coal yards, whereas on the same day last year there were 1,191,000 tonnes.

Valentin Dubinin said that a sum of 35 billion rubles, which was finally allocated by the government in the form of subsidies following the persistent appeals of Kray Governor Nazdratenko and "Dalenergo" Director Basharov, was already on its way to its destination, the coal workers of Siberia.

At the press conference, however, a shocking statement was heard to the effect that the 35 billion-ruble boost would only make it possible for the kray's power system to operate normally for a maximum of 20 days. Meanwhile, a statement issued by Yevgeniy Nazdratenko from Moscow, disseminated last week by the kray administration's press service, said that the billions procured by the governor would make it possible for Primorye [Maritime Territory] residents to make it through the winter in warmth.

Nevertheless, "Dalenergo" chief engineer Yuriy Ivanov was not thinking of political gain, but was being straightforward when he said that in the near future it would be necessary to reduce energy consumption by another 3.5 million kw/hr. As you will recall, the industrial enterprises that shut down last week reduced energy consumption by 3 million kw/hr. According to Ivanov, in Vladivostok alone there were more than 60 such enterprises.

Ivanov stated that in the coming days the electric power station may begin using coal right off the trucks: only coal transported from the open pits will be burned. This will mean, said the "Dalenergo" chief engineer, that heat and light will shut off in residential districts not according to a schedule for an hour of day, but for 6 - 12 hours, and possibly with no forewarning. If "Dalenergo" does not receive funds to cover its indebtedness from kray enterprises, to include those which belong to the Vladivostok municipality, then "in 10 days our time will run out," Ivanov said.

As was explained during the conference, the notorious 35 billion rubles was for coal that had already been burned in the electric power station's furnaces in January. After that coal for Primorye will once again be on credit.

Vladivostok mayor Viktor Cherepkov said that the policy of procuring subsidies in Moscow was short-sighted. In the mayor's opinion, these billions would exacerbate, not reduce the problem of indebtedness. Viktor Cherepkov also expressed doubts that Vladivostok, which collects

almost half of all taxes in the kray, had a budget deficit, thus signifying planned deficit spending on the part of municipal enterprises, to include PZhETs, enterprises that are part of the heat network, and so on.

Meanwhile the "Dalenergo" chief engineer commented on the mayor's statements saying: Such claims would be justified in a situation that was the least bit normal, but not at all under the emergency circumstances that exists today.

A VLADIVOSTOK correspondent questioned Cherepkov regarding reports on local television about a statement he supposedly made to the ITAR-TASS agency, alleging that there is a large store of coal in Primorye, and that subsidies were procured from Moscow only to be given to "mafioso structures." In response, Viktor Cherepkov stated it was necessary to address such questions not at him, but at the organization disseminating such reports. At the same time he stressed that the kray's coal fields were more than adequate, but that funds had not been invested in their development, and that the kray's coal industry was dying.

"Dalzavod" Chief Engineer Viktor Kalinichenko summed up the contradiction in opinions well when he said that once again the energy crisis is being used like a playing card in the political aims of the opposing sides, the kray and city administrations. In his opinion, it is necessary to find a compromise at all costs. A situation in which tens of thousands of people are essentially out of work, enterprises have come to a standstill, and housing construction has once again started simply does not allow for political intrigue.

### **Vladivostok Mayor Corruption Charges Examined Charges Reported**

944F0361A Moscow NOVAYA YEZHEDNEVNAYA  
GAZETA in Russian 17 Feb 94 p 2

[Article by Sergey Ivanov, with information supplied by POSTFAKTUM, under the rubric "Details": "Power Loves To Be Alone"]

[Text] In a recent issue NOVAYA YEZHEDNEVNAYA GAZETA reported the strange situation that now exists in Maritime Kray in connection with criminal proceedings initiated on bribery charges against Vladivostok Mayor Viktor Cherepkov. Our newspaper has learned some details related to the case.

According to information from the investigative organs, on 10 February citizen Volkov, who represents the movement for the support of Afghan veterans, informed the Vladivostok procurator that he had bribed some city administration officials, including the mayor, for allowing him to acquire a plot of land.

Several cars stopped by the mayor's office at about 2200 on Friday; they unloaded the city procurator and some 15 militiamen armed with automatic rifles. After the entrance was surrounded, the procurator and some of the militiamen went up to the 10th floor, to the office of Viktor Cherepkov, mayor of Vladivostok. They presented Cherepkov with a warrant and started their search, which went on until 0300. In the office of the city administration head they discovered 6 million rubles and \$3,000; almost 1.5 million (in 50,000 notes) were lying in a tight roll behind the safe.

Right after this, two carloads of militia escorted Cherepkov to the city procuracy where he was interrogated by investigator Aleksandr Vysotskiy. However, he was questioned as a witness and not as a defendant. The accusation of bribe extortion was brought against some Vladivostok administration officials whose names are not being made public because of the investigation; at the same time, there is no special secrecy about them. Among others, there is talk about seven employees of the city municipal property office and the construction and architecture office. Their offices were searched simultaneously with the mayor's.

During the same evening officers of the kray Internal Affairs Administration [UVD] searched the city mayor's home. The search was caused by the fact that the night before, two people suspected of burglarizing Vladivostok school 74 (the crime was committed in May of last year) confessed and also testified that the mayor's son, Vladimir Cherepkov, had also taken part in the crime. The search of the mayor's apartment produced one of the computers stolen during the school burglary. The computer was confiscated. Vladimir Cherepkov, 19, a cadet at the Pacific Higher Naval School, was put in a temporary detention cell.

From one hour to the next the events increasingly acquired the character of a mystery novel. On Saturday night the militia received a report that six strangers had kidnapped the 4-year-old son of the UVD female officer investigating the case of Cherepkov junior. The deputy commander of the kray UVD, Yuriy Orlenko, said that according to militia information, "a certain mafia group is behind the Cherepkovs." Orlenko added also that the office of Yevgeniy Nazdratenko, the kray governor, had received a telephone threat to his son; after that, instructions were issued to strengthen the security unit guarding his family, in spite of the governor's objections.

However, the child was returned home on Sunday. It transpired that the kidnapping had been organized by the investigator's live-in partner who, under the influence of alcohol, had asked some people he was drinking with to do him this small favor. The kidnappers are being sought.

After the nightly events, a press conference took place in the office of Cherepkov senior in which he denied all the accusations directed at him and said that the actions of the law enforcement organs were designed to discredit him as a city official. He also qualified the event as a "coup d'etat" initiated by the top kray administrators. However, Primorye Governor Ye. Nazdratenko viewed the mayor's description of events as an attempt to justify himself before the public and gain political capital.

The origin of the money found in the mayor's office during the search remains unclear. In his Saturday interview to the local TV and radio company, Cherepkov said that the money found behind the safe had been planted.

Local commentators view the Vladivostok scandal as a major achievement of the opposition represented by the mayor and his supporters as they anticipate the elections to the kray дума. Cherepkov is a former officer, an instructor at a military school, a deputy to the kray soviet who was the first to inform the world about the mayhem reigning in the military units deployed on the island of Russkiy; he

rode the crest of his public success to victory in the first democratic elections to the Vladivostok mayor's office in the summer of 1993. But at this point he was losing popularity—slowly but surely—because of his not very successful experiments in the areas of city management and staffing policy.

Besides, the new leaders of the kray center failed to establish good relations, to put it mildly, with the kray power concentrated in the hands of a team of administrators headed by Governor Ye. Nazdratenko, who formed his cabinet just a little earlier than the summer mayoral elections.

Today, however, with the polarization of public opinion growing stronger, Cherepkov's rating has jumped up and the chances of the "pro-Cherepkov" opposition winning at the coming elections to the kray дума have sharply improved; its victory would initiate changes in the political lineup.

#### Investigation Continued

944F0361B Moscow NOVAYA YEZHEDNEVNAYA GAZETA in Russian 18 Feb 94 p 2

[Article by Sergey Ivanov, with information supplied by POSTFAKTUM, under the rubric "Details": "Did the Vladivostok Mayor Take Bribes?"]

[Text] *The Vladivostok conflict related to the criminal accusations against Mayor Viktor Cherepkov, already covered by NOVAYA YEZHEDNEVNAYA GAZETA, continues to develop.*

On 15 February Vladivostok's Leninskiy Rayon court was supposed to hear the civil suit brought by head of the Maritime Internal Affairs administration [UVD], Colonel Vladimir Ipatov, against city administration head Viktor Cherepkov. The colonel demanded that the mayor pay him 10 million rubles in moral damages caused by the fact that the mayor had damaged his honor and dignity when he publicly stated at a press conference that the Maritime militia was corrupt and that they had to fight crime within the militia itself.

Meanwhile, according to an official statement of the Vladivostok administration press service, the mayor's office had some documents at its disposal which could support Cherepkov's claim, and the office was ready to present these papers in court on 15 February. However, due to the request of the plaintiff Colonel Ipatov, the hearing was postponed until March.

The previous NOVAYA YEZHEDNEVNAYA GAZETA articles described the position of the kray UVD that its deputy commander was convinced of "a certain mafia group being behind the Cherepkovs." We would like to remind you that a computer stolen from a Vladivostok school last year was found in Cherepkov's apartment during a search. This served as the reason for the arrest of the mayor's son, 19-year-old Vladimir Cherepkov, a cadet at the Pacific Higher Naval School, who is a suspect in this burglary case.

Cherepkov insists that the search in the administration building, which took place on the morning of 12 February, was conducted by the procuracy and militia with the purpose of removing any documents supporting the



mayor's accusations of corruption against the militia. The militiamen, however, failed to find the papers during the search; evidently someone had managed to hide them. The mayor's press service says that it is prepared to produce the documents for the mass media.

On 16 February, Cherepkov senior's lawyer, S. Ulitskiy, made a statement in which he cast doubts on the objectivity of the kray procurator, Valeriy Vasilenko. Among other things Ulitskiy said that, during his appearance on Maritime TV on 14 February, Procurator Vasilenko promised to be objective when considering all complaints about any violations in the case of Viktor Ivanovich Cherepkov. But the very next day, in an interview published in the VLADIVOSTOK newspaper, the procurator said: "In an ordinary situation he would already been put away, were he not Cherepkov! With the proof we've got, he would be behind bars by now..."

Therefore, Cherepkov's lawyer thinks that the kray procurator, whose job it is to provide control over proper enforcement of the law and to display special objectivity, declared him guilty beforehand and declared the necessity of his detention (not only before trial but even before officially charging him with anything).

The lawyer considers that in his actions the procurator is violating part 1 of Article 49 of the new Russian Constitution, which stipulates that every person is presumed innocent until proven guilty according to the regulations set by federal law and finalized by a sentence that is legally enforced.

Under such circumstances, thinks defense lawyer Ulitskiy, Vasilenko cannot supervise the investigation of Cherepkov's case. Neither can this be done by any other procuracy officials of Maritime Kray, as they are subordinate to Vasilenko.

NOVAYA YEZHEDNEVNAYA GAZETA promises to inform its readers on the further development of events. It is possible that in the near future more details will come to light in the case of Cherepkov junior, who is in detention now, as well as in the kidnapping case of the 4-year-old son of investigator Irina Monakova, who is working on the mayor's son's case. According to the inquest data, the boy was kidnapped and later returned by Monakova's live-in partner, who had asked six of his buddies to act as the kidnappers. However strange it may seem, the investigating officers still do not know their names. Lack of clarity continues to haunt the further investigation of the bribery charges extended against the mayor and other Vladivostok administration officials.

Meanwhile, the price of stocks of several enterprises are plummeting at Vladivostok international stock exchanges. The same happened at exchanges in April of 1993 after Aleksandr Rutskey's speech at a parliament session in which he spoke about corruption and abuse of power in the course of the Maritime Kray privatization process.

### Vladivostok Political Intrigues Detailed

944F0362A Khabarovsk TIKHOOKEANSKAYA ZVEZDA  
in Russian 9 Feb 94 p 2

[Article by Lyubov Latypova: "In the Corridors of Power: Democracy Without Force, or Force Without Democracy"]

[Text] It is useful on the threshold of another special election to give some thought to what it will lead to regardless of established and declared objectives. As the previous one showed, the result of recurrent rearrangements in the Federal Assembly can diverge far from the intentions of the ideologues. In this regard, life supplied our neighbors in Vladivostok with an amazing experiment a year ago. The first results are already also visible...

As we recall, the heads of the kray and the city administrations were replaced practically at one and the same time within about a month of each other. Yevgeniy Nazdratenko, manager of the Vostok mining company, became governor, and Viktor Cherepkov, a military prosecutor, became mayor. Almost all the deputies of the kray board, with an assist from the president, voted for Nazdratenko, while a majority of the 33 percent of the voters who came, as is customary to say, to the ballot boxes, voted for Cherepkov. The first "bought" the kray parliament with the fact that he had created a bright future within the scope of his own enterprise, which had grown from a small artel; the second made a name for himself in exposing improper dealings in the army, and was almost the only one of all of the candidates during the election campaign who promised with army resoluteness unconditional protection for all those who are orphaned or impoverished.

As a result, both aspirants proceeded from different poles; however, their new life started, and is continuing, in the same vein—with scandals. Cherepkov introduced free travel on public transport (after which it began to operate significantly worse), and hampered city preparations for winter, understanding nothing about city administration but continuously and personally issuing instructions. As may be realized, because of this things only became worse for the orphaned and impoverished.

Somewhat bigger scandals are tied to Nazdratenko's name. Quite recently Valeriy Butov, the president's representative (now already a former representative), accused him and the administration team of corruption, after which he was dismissed from his position without any explanation of the reason. This opinion, incidentally, is also shared by almost the entire press, which this team tried to take in hand almost immediately after coming to power. Almost all, with the exception of the KRASNOYE ZNAMYA newspaper, whose editor, Vladimir Shkrabov, began to manage the press committee in the executive branch.

The press defended its independence, continuing with a passion to keep an eye on the actions of an almost completely renewed administration. There was indeed

something to keep an eye on: Almost all the those who came to the highest building in Vladivostok were people of the same team, called PAKT—Maritime Joint-Stock Corporation of Commodity Producers. And herein is the main plot.

Despite the fact that the representative authority was "for" Nazdratenko, the managers of the executive authority did not stand too much on ceremony with colleagues from the very beginning, forgetting to coordinate the candidacies being appointed to responsible positions with the approval of the council of people's deputies. At one press conference Dmitriy Grigorovich, chairman of the council of people's deputies, reported that the deputy head of administration, Igor Lebedinets, "told him point blank in the presence of several people that PAKT—new, rich people—had come to power. The placement of personnel was calculated a long time ago, and it is not necessary to impede this association." Actually, key positions in the "governorship" were occupied by members of this organization.

A clamor was raised about this just before the confirmation of Nazdratenko as the head of the administration, although the association itself, of which he was a founder, was formed a year earlier. Well, it was organized and organized—colleagues right away named six such organizations, and this, I think, is not all. The directors of the largest enterprises gathered, along with some of the main specialists and "necessary" people, about 200 of them, and established a joint-stock company of the closed type, with a charter capital of more than R400 million, which even in the yardstick of the year before last was not too much. But this is not prohibited by law. The shares of stock were divided up—50 for the directors and those most "necessary" (including Shkrabov), and further, according to one's place in the hierarchy. This is also legal. Although there is a question: If the director of a large enterprise that is still a state enterprise has a maximum number of shares of stock in another, private structure, which one will he be more interested in? Or will he try to combine both interests, using the state capital (or former state capital) for personal aims?

THE QUESTION IS FAR FROM AN IDLE ONE, for—I especially emphasize this fact—PAKT is an association of physical and not juridical persons, which the enterprises headed by these physical persons are. That is, friendship is one thing, money quite another. And from this standpoint the charter capital of PAKT would be insufficient for the organization of the slightest serious business that some have proclaimed: the production and sale of consumer goods, the construction of industrial enterprises, stores, and housing, and furthermore, like everyone, mediation and commerce.

Perhaps what is most intriguing in this situation is the fact that the founders themselves, it seems, forgot about the status of their association and in numerous interviews enthusiastically drew a picture of how remarkably shareholders will begin to live in the very near future, while at the same time naming collectives that did not have a single share. As could have been expected, not one of these promises came to fruition, and enterprises, among which there were a lot of defense enterprises, felt the full effects—many had come to a standstill by winter.

Lawyers and economists with whom I have had occasion to consult regarding the promises and the deliberate silence assert with one voice that no law was broken here either, because silence is not a crime, and numerous methods for getting hold of a large piece of state property can be implemented in a quite civilized way: For example, transfer in trust to PAKT shares of enterprises that belong to the founders, or sell them to it (that is, to itself), or convert them to PAKT shares. But if it also takes the share that belongs to the state into trust control, this will be quite enough for possessing a controlling block of shares of the "dependent" enterprises. That is, they will first and foremost feed the founder-directors of the private structure.

It was assumed that the directors, tied by a single corporate string, would be able to help each other to be strong and rich and work out a single policy that would be profitable for everyone. That is, they would not beat their heads against a wall, bruise each other, and go to Moscow with outstretched hand. However, Nazdratenko's first visit was exactly with such an "outstretched hand" for privileges in the power industry. One of PAKT's founders, Vladimir Kolesnichenko, declared in this regard that this was the will of the industrialists of the kray. But in the project of the "functionally organizationally integrated structure to which it is planned to transfer PAKT smoothly, it is envisioned bringing onto the board of directors a special representative of the government who is to be assigned special rights. Although this is prohibited by law. But this is today's law. However, inasmuch as legislation in our country is extremely unstable and does not depend as much on objectives that generally no one sees as on the political prejudices of a majority of parliamentarians, it is not ruled out that the current majority (especially in the Federation Council, which consists of more than half of the governors) will change this situation. PAKT plans to press both the legislative and executive and the coordination structures, proposing "the inclusion of the corporation as an official structure in the resolution of federal programs of the government within the scope of implementation of programs of structural reorganizations in the economy of Maritime Kray and the Far East." That is, as long as you, local authorities, are sorting things out between yourselves and are dividing the chairs in the association of economic cooperation, we, the private structure, will seize the initiative and the finances. If it is also considered that the federal program in all variants envisions an exclusively colonizing policy with respect to the region, then it becomes somewhat awful.

Is it bad? Well, it depends on how you look at it... It is quite clear that the current authority in the region is not an authority in the full sense of this word, because it does not have the resources, does not have new levers of control at a time when the old ones are stuck, and does not have organizational support in the active strata of the population. The attempts by Viktor Ishayev, administration head of our kray, to gather intellectuals around himself are rather fruitless. All kinds of public consultative councils that clustered around him two years ago in the hope of dictating conditions have collapsed and cracked; the board of directors, enjoying his support, regularly composes petitions with ultimatums for the center, to which the center does not pay much attention; the monthly collegiums, like two

peas in a pod, began to resemble the former party administrative activists with efforts by subordinates to render account successfully and by the "bosses" to lead everyone to clear water. Given this layout, a managerial construct is sooner possible as an exception than as a system.

But the director corps in Primorye, which is already reinforced with its own powerful productive forces and material valuables, declared unequivocally that it is tired of playing politics and that it is taking authority into its own hands. Which it is doing rather persistently, without reflecting on the losses of socialist morality and ethics. Perhaps this is a kind of revenge for the years of humiliation since the beginning of perestroika, when the entire director corps was considered stupid and reactionary and when the idols of the public were speakers who called for "rejection of the old world." Is the new morality of society that is growing on the ruins of the old maturing, or is this really a degradation of ethics? I will not try to answer this question unequivocally, because it is in an equal degree unethical to muddle heads with promises of prosperity at the expense of the state and to build personal welfare on the bones of others. But we should not flatter ourselves regarding the independence of the Primorye governor from the people who make up his circle, which it would seem is indicated by his formal withdrawal from PAKT. Indeed, on this score, he also did not leave any illusions, unambiguously declaring after his confirmation: "I am in no measure against anyone from the former people, but I listen to the opinion of those people who are around me."

One can ride for a long time on the seesaw of doubts between two assessments of what happened—its nontriviality prompts one to reflect. However, there should be no doubt that this is the obvious beginning of the crystallization of new structures for which, in contrast to our numerous and weak parties, authority is necessary to protect their own property interests. Incidentally, it is said that similar structures, but with a clearly expressed criminal nature, also supported one of Cherepkov's rivals. But the new entrepreneurs of various shades, who also have something to gain and lose, have not yet had their say. Without a doubt all of them will try to establish their own lobbies in the representative organs of authority at the kray and city level.

In addition, two things are clearly coming into focus: First, the personal qualities of the workers who have been promoted to administrative posts in these structures will have secondary significance, inasmuch as the pyramid here has been inverted: It is not the leader who directs the people, but the corporation that directs its protegee. On the one hand, this means that we will never again be ruled by either tyrants or musical comedy personalities. On the other hand, are the corporate interests of a rather narrow circle of persons that much better?

It is a short step from here to another circumstance. If anyone still has any illusions that authority serves everyone, let them be finally dispelled, because this never happened, either in capitalist or in socialist times. It is another matter that perhaps tall weeds grow out of nothing and that it is impossible to make everyone happy at the expense of the poor, but owing to an increase in wealth it is possible to make many happy. Depending on the kind of goal one sets and how to reach it. But I will not throw

myself now into a slough of doubts regarding the goals and methods of achieving them. I will stand aside and think about something else.

I will think about Viktor Ivanovich Cherepkov who, without a doubt, evokes deep respect for his tireless courage in exposing vices and, at best, pity—for incompetence in creative matters behind which there are no real productive forces. He promised help to many. The war is over. It is necessary to build. Who will come to help, and is the foundation not too weak?

And furthermore. What do we want from our new representative authority, which the executive authority has so successfully learned to ignore and the possibility of doing without which was cultivated for so long in society? Will it now be a counterweight to the managers, or will it begin to obediently follow in the direction indicated by the governor's finger?

## INTERNATIONAL AFFAIRS

### Kozyrev Outlines Tenets of 'Common European Partnership'

944Q0217A Moscow NEZAVISIMAYA GAZETA  
in Russian 2 Mar 94 p 4

[Article by Andrey Kozyrev, Russian Federation Minister of Foreign Affairs: "Common European Partnership; Today It Is the Key Concept in Russian Foreign Policy"]

[Text] It has long ago become clear that, under current conditions, aggressive nationalism, the doctrines of Brezhnev and the "Berlin wall," the aspirations for domination and "sanitary cordons" are unacceptable. At the present time it is necessary to ensure for all of Europe a strong stability and security, and to jointly overcome conflicts on national grounds.

In order to achieve this goal, we must develop a consistent strategy of action which strengthens the unity of all the democratic states of Europe, a common European partnership.

Today, agreements on partnership and announcements of intentions are clearly apparent. However, there is as yet no regulated stable and mature partnership which is backed by the necessary resources.

This is evidenced by the difficulties which Russia is encountering, along with other post-communist countries, in conducting negotiations with the Western partners regarding access to the market without discrimination and on the basis of free competition. For example, today the European Union proposes for democratic Russia a ceiling of 10 percent for the export of nuclear materials, while even quite recently the Soviet Union had 16 percent.

Partnership in the political sphere is still being subjected to serious trials along the sharp turns of European policy. The latest example is the unilateral ultimatum on Sarajevo. One may debate the expediency or in expediency of the threat of using forceful measures by a certain deadline. Today this matter has passed and there is no sense in returning to a review of all the "pros" and "cons." However, it is obvious that the adoption of such decisions without consultation, with coordination with all the key state officials participating in the search for Yugoslav



regulation, in this case with Russia, in itself introduces an unnecessary element of tension and, frankly speaking, risk.

This is why today it is important not to lose the tempo, to make use of the moment of positive movement created by the initiative of President Boris Yeltsin, which has led to an important breakthrough in lifting the blockade of Sarajavo. We need energetic and necessarily joint actions. Moreover, these may even be rather decisive measures, but they must be jointly undertaken. In the context of unified efforts, the individual powers, as well as their associations, including NATO, will find their place and make their contribution.

The block, bipolar system of security is irreversibly retreating before the realities of a multipolar world. To hold onto the illusion, as some naive political scientists do, that a membership card in a military-political alliance is a panacea for all ills, is to close one's eyes to the essence of the processes going on in Europe, to the nature of the crisis of the new generation. Such an approach initially presupposes the presence if not of a real, then of an imagined enemy. In any case, it is fraught with new splits and divisive tears in Europe. Moreover, not only are the ghosts of the past—aggressive nationalism, territorial aspirations, religious intolerance—not retreating, but the danger of their turning into a real factor of European policy is increasing.

We cannot agree that Europe is experiencing another repartition in the zones of influence. According to our conviction, it is important not to let the chance to form a unified democratic Europe slip by. This presupposes the provision of an equal level of security for each state, a real partnership on the basis of the common democratic principles of the CSCE [Council for Security and Cooperation in Europe].

I am sincerely concerned by the longevity of certain outdated dogmas and arguments. Some political leaders are even trying to pass them off as axioms of current European policy.

The first argument: Accelerated membership by the East European states in NATO will not only "remove the barriers dividing Europe," but "will become a step in strengthening democracy and stability, from which Russia itself will stand to win." The question is, what Russia? Russia—the great power following the path of democratic transformations and openness to the world, or an isolated Russia, and consequently one which may again turn into a military camp.

The second argument, which does not fully correspond with the first: The expansion of NATO through the East Europeans is necessary, since Russia is unpredictable and is infected with neoimperialist ambitions. Well, in the case of emergence of new barriers in Europe and isolation of Russia, it will become predictable: Armed with missiles and threatening its neighbors.

The third argument. Russia intends to hinder the states of Central and Eastern Europe from meeting their needs for reliable security. This too is not so. We do not dispute the sovereign right of any country to ensure its own defense, including by means of joining in various military-political alliances. But if we want a peaceful life for ourselves and

our children, the criterion here must be the degree to which the steps taken facilitate stability in the region as a whole.

We are proceeding from the fact that there are no longer grounds to class the European countries into those which threaten and those which are threatened. Today the Europeans are on one side of the barrier, while the problems which they must deal with—economic, social, and international—are on the other. These are the three components of European security, which cannot be divided.

For decades, dissident democrats in our countries have struggled for common values, turning their glances to the CSCE, the only common European structure, which became their Magna Carta.

Today the national-patriots are encroaching on these values. However, for the first time we have the unique capacity to defend them, using all the wealth of the existing European institutions.

From this stems the conception of the common European partnership, which Russia proposes.

Here are its basic elements.

**First.** Developing Euro-Atlantic cooperation on the basis of transformation of the CSCE into an effective all-regional political organization, and the Council for North Atlantic Cooperation (CNAC)—into an independent structure of military-political cooperation, but one which is closely tied to the CSCE. The goal is to coordinate the efforts of NATO, the EC [European Community], the Council of Europe, the West European countries and the WEU [Western European Union], and the CIS in the sphere of strengthening stability and security, peacemaking and protection of the rights of national minorities in Europe.

**Second.** Increasing cooperation within the framework of the CNAC with the involvement of the neutral states of Europe, including on the realization of the program, "Partnership in the Name of Peace," on an equal basis, and turning the CNAC into an independent agency with a compact secretariat. The CNAC may become the common European laboratory for peacemaking, greater openness in military activity and conversion of the VPK [military-industrial complex].

**Third.** Formulating a network of mutually-supplementing bilateral agreements on partnership, cooperation and consultations not only between NATO, on the one hand, and the countries of Central and Eastern Europe, Russia, Ukraine and so forth, but also between the states which are not members of the alliance. We do not exclude the possibility that Russia too will someday become a part of NATO, but today the key factor is the concept of partnership. The advantage and, if you will, the farsightedness of the program adopted by NATO leaders, "Partnership in the Name of Peace," consists specifically of the fact that it seems to open up NATO and takes the first step in changing it over from a block to some other form of security organization. And so, common European partnership fits entirely into our conception. In the future we see also the opening of a channel of communications between the CIS and NATO.

**Fourth.** Granting the countries of Central Europe reciprocal guarantees of security on the part of Russia and its West European partners. Such a network could be extended to all of Europe.

**Fifth.** Increasing the peacemaking potential of the European states, seeking a unified response by Europe to the conflicts of the new generation. Giving practical aid in peacemaking efforts of Russia and the CIS on the territory of the former USSR.

**Sixth.** Strengthening the European component of the regimen of nonproliferation of nuclear weapons, other types of mass destruction weapons and missile technologies, as well as promises to tighten control over the sale of "dual purpose" technologies and the most destructive types of conventional weapons, primarily in the zones of conflict.

**Seventh.** Increasing economic potential for purposes of stability and security on the continent. Including Russia and the states of Eastern Europe in the international division of labor on an equal and nondiscriminatory basis, and ensuring their entry into the European and world markets.

Our proposals echo the concepts expressed in numerous European states. We are ready to cooperate closely with our East European colleagues in the search for the best decisions and realization of a program of partnership.

#### **Role of NATO Ultimatum in Success of RF Bosnian Initiative Eyed**

944Q0204A Moscow SEGODNYA in Russian  
24 Feb 94 p 2

[Article by Maksim Sokolov: "Tilsit: When This Arrogant Sound Is Heard Now, a Russian Does Not Turn Pale"]

[Text] In analyzing the latest Bosnian topic regarding the NATO bombardments of Serbian artillery batteries, Russian columnists prepare this subject in a remarkable manner. At the center of the analysis turns out to be only the fortunate outcome brought about by Russian diplomats, while the prologue, the beginning, the development of the operation and even the culmination (i.e., bringing the NATO bombers into combat readiness) prove to be, as it were, outside the topic. In other words (in an especially striking manner, this distinctive feature is manifested in the analysis given by USSR President [as published] Mikhail Gorbachev on February 22), the Western ultimatum and the Russian shuttle diplomacy are regarded not as interconditional details of one design, but as the opposition of completely autonomous models of conduct. On the one hand, the Serbs are handed by the West an ultimatum insulting to their national honor, on the other—"again in the foggy north one could hear the thunder prophesy: Then, with the cross as his martial armor, the older brother of the Slavonic peoples, stood up."

It is possible that the unwillingness to examine the events that have taken place in interdependence is explained by the general principle of the approach to international conflicts, according to which turning to the prehistory is unproductive and only confuses everything and aggravates the problem. Psychologically it is understandable that the desire to get away from a one-sided (or seemingly one-sided) etizatsiya [perhaps etnizatsiya for ethnization] of

the conflict: First, in the concepts of guilt and responsibility, then—even completely extra-moral cause and effect categories.

As a result, the analysis begins to acquire visible characteristics of an anecdote. In making an expert assessment of the crisis, the deputy editor-in-chief of MOSKOVSKIYE NOVOSTI, Aleksey Pushkov (one of the most restrained and conscientious analysts) pointed out, on the one hand, that "the most reasonable and constructive forces" in NATO itself were opposed to a solution by force, on the other—that, without a doubt, the reasonable and constructive Russian mediation could not have succeeded, had it not been supported by the real threat of force in the form of the NATO ultimatum. If the two statements are reduced to one, it is easy to understand that, had the "reasonable and constructive forces" in NATO prevailed, nothing would have come from the no less "reasonable and constructive" mediation of the Russian Ministry of Foreign Affairs, and this means that the whole Russian "reasonableness and constructiveness" would not have been worth a nickel had it not been supported by the "unreasonable and non-constructive" ultimatum.

The paradoxical character of the analysis can be explained if we make a transition from international to criminal law. Russia conducted itself as a juridical subject, bailing out the juvenile hooligan Radovan Karadzic. The reeducation of young hooligans by means of bailing them out in certain cases is quite appropriate. Only it must be remembered that in the absence of the police (i. e., the NATO bombers), which in the beginning was able to stop the hooligan, and in the future may also interfere if the person bailed out does not justify the trust put in him, the institution of bail loses all meaning. Criminal punishment exists only to the extent to which it has a potential for completely unconditional sanction; if the latter is absent, the former also disappears.

Probably, the desire to pretend that this bail was assumed, as it were, per se, and not as the result of the sanction being expected is explained by the deep patriotism of the analysts. In a situation where the threat of force is a decisive factor, the role of a mediator who cannot or does not want to oppose anything serious to this threat usually does not bring great honor, and that is why the desire to suppress for clarity the decisive significance which the threat of military sanctions in reality had, is entirely understandable.

Mutatis mutandis, the great successes of Yeltsin—Kozyrev—Churkin are reminiscent of the Peace of Tilsit, when Alexander I also engaged in the forceful defense of his traditional and very loyal ally, the Prussian King Frederick William. "An ignoble king, an ignoble nation, and an ignoble army, a power, which has deceived all and does not deserve to exist," this is what Napoleon told Alexander about his friend, to whom the Russian czar in his time so touchingly swore eternal alliance and love on the grave of Frederick II. In response, Alexander smiled affectionately and only asked the French emperor "to leave nevertheless something of Prussia, in spite of all of these reprehensible qualities." The monarchical historians, because of the complete uselessness, did not even make special efforts to embellish the sour position in which Alexander I had found himself in Tilsit. The newest historians, in praising the mission of Churkin, are clearly

guided by the revisionist poem of Pushkin: "Tilsit! When this arrogant sound is heard, a Russian does not grow pale now."

The difficulty of the position of the newest historians lies in the fact that the true significance of the effectively utilized NATO threat of force can be concealed once, while the given method of the pacification of the warring Slavs was very much to the liking of the West, and a repetition is by no means out of the question. To declare that every new Tilsit is a new and still more glorious success of Russian diplomacy will be difficult for the keenest political scientists.

#### Effects of NATO Threat of Bosnia Airstrikes Assessed

944Q0203A Moscow ZA RUBEZHOM in Russian  
No 8, 25 Feb-03 Mar 94 p 3

[Article by Aleksandr Kondrashov, ITAR-TASS correspondent, Belgrade: "A Life Preserver"]

[Text] No matter how strange, but in Belgrade and even in the Serbian part of Sarajevo there was, during the 10 days when the NATO ultimatum was in effect, no manifestation of a special anxiety, commensurate with the threat hanging over the Serbs. Moreover, a number of signs point to the fact that the leadership of Yugoslavia and the Bosnian Serbs did not consider as serious the NATO threat to inflict strikes on the Serbian artillery positions near Sarajevo and was originally convinced of the political settlement of this conflict.

To all the appeals of a number of opposition parties to convene an extraordinary session of the Serbian parliament to discuss the impending threat, the leader of the parliamentary faction of the ruling Socialist Party answered with a refusal, alluding to the great effectiveness of secret diplomatic efforts and the needlessness of additional dramatization of the situation.

The military-political leadership of the Serbian side did not believe in the effectiveness of NATO air strikes and calmly waited for the outcome of the situation. To conduct a large air operation in Bosnia in February would be extremely difficult because of the weather conditions. Constant fog, low clouds, and strong winds sharply decrease the possibility of precise bomb-release, not to speak of the threat of large weather-related air plane losses alone. Incidentally, during the period of the ultimatum, two NATO planes were involved in a catastrophe over the Adriatic Sea (the last smashed in Slovenia, miraculously not having caused a calamity in connection with the possible explosion of ammunition and fuel on board).

Combat flights over Sarajevo with the bombing and launching of missiles aimed at Serbian batteries located at times in residential quarters, next to places where contingents of the UN forces are stationed, next to Muslim districts, could already during the first days lead to hundreds of victims among the civilian population and even the "blue helmets." It is not difficult to imagine what an echo this would produce in the Western countries.

Moreover, the "first demonstrative strikes" would practically decide anything as regards the demolition of the fire power of Serbian artillery, having several reserve positions

each. During the early stage of the ultimatum the commanders of the Bosnian Serbs openly talked about this. The neutralization of the 500 (and possibly even more) firing positions of the Serbs would require massive carpet bombing for a period of 2 weeks, moreover from various directions. The refusal of Greece to make available its military bases for the NATO operation at once sharply decreased the chances for quick success. The potential of the military airports in Italy, as well as the aircraft carrier *Saratoga*, was clearly inadequate.

If we add to this the enormous probability of unwanted hits of civilian objects, the potential possibility of the capture of French and British "blue helmets" by the Serbs, the discontinuation of humanitarian convoys, saving the Muslim population from hunger and its army—from demoralization, reciprocal actions of the Serbian side, both against NATO aircraft and the Muslims, and possible terrorist acts of Serbian extremists in NATO countries, it becomes clear that the Brussels ultimatum was sooner adventurist than a well-considered course of military experts. It is no accident that the German minister of foreign affairs, K. Kinkel, a number of times talked about the fact that the West has a clear concept only about the first step, but not about the second and third one.

On the other hand, it was disadvantageous for Belgrade to subject the NATO bloc to possible humiliation, compelling it to proceed to an escalation of the conflict, to aggravate the animosity of the West to the Serbian side, and thereby to let slip out of its hands a realistic prospect for the abolition of the sanctions. Figuratively speaking, Belgrade was not interested in defeating the West above the Sarajevo hills and was worried only about having its position understood in the Western capitals. The Bosnian Serbs, who had no objection to playing with fire, had a different sentiment.

It was at this moment that the Russian initiative appeared, which became the life preserver for both NATO and the Serbian side. NATO clearly feels that, having threatened the Serbs, it can only smash its fist, but Belgrade and the capital of the Bosnian Serbs, Pale, are ripening for the next compromise, which does not promise them military advantages, but gives them considerable political dividends. And the main thing—a good reason for retreat presented itself.

Also remarkable is the fact that even Western propaganda on the threshold of the hysteria of the NATO ultimatum held back. The first program of French television provided information about a sensational secret report of UN experts to the effect that the mortar shell on the Sarajevo market (because of which the Bosnian NATO ultimatum occurred) was launched from Muslim positions. This report of French Television made the rounds of the tapes of all leading news agencies and the pages of Western newspapers. Although at the time, when earlier TANJUG [Yugoslav News Agency] reported about such a secret meeting of UN experts, no one demonstratively called any attention to this. In short, the ground for an "honorable retreat" was being prepared on the part of NATO.

What next? In the opinion of experts, the military situation in Sarajevo has not changed in a major way since the guns that have been withdrawn can be returned in a few hours to



the previous positions. It will be more difficult to take the arms collected in eight areas in the city limits out of reserve storage since they are being guarded by the "blue helmets." However, here, too, the principle of a "double key" is observed, and in the case of acute necessity both the Serbs and the Muslims may again use them. But, it would appear, that neither the one, nor the other side for the time being is seeking conflicts with the UN contingents and is inclined to observe the armistice. Now, apparently, a great deal will be decided by the choice of priorities made by the great powers involved in the Bosnian crisis.

### 1993 Foreign Trade Performance Reviewed

944Q0199A Moscow DELOVOY MIR in Russian  
11 Feb 94 p 7

[Article by Nikolai Seregin, DELOVOY MIR, under the rubric "Topic of Current Interest": "The Performance and Tasks of Russian Foreign Trade"]

[Text] A collegium of the Ministry of Foreign Economic Relations met a few days ago. The results of the operation of the ministry last year were discussed at the meeting and the main directions for work in 1994 set forth. After the proceedings of the collegium, Minister of Foreign Economic Relations Oleg Davydov invited several Russian journalists to a meeting, in which he shared his considerations concerning the status of Russia's foreign trade and answered numerous questions. We offer our readers a brief report on this meeting.

### Exports Have Stabilized

In 1993 the Ministry of Foreign Economic Relations structured its work on the basis of the program of the Government of Russia "Development of Reforms and Stabilization of the Russian Economy." It was particularly important for us to actually carry out the first stage of this program scheduled for 1993-1995. The ministry concentrated its efforts on this. We continued work to shape a mechanism for the regulation of foreign economic activities in the period of transition. It is based on further liberalization through cutting back measures of nontariff regulation and switching to mostly economic methods, at the same time streamlining the system of export and currency control. The stabilization of exports and the growth of foreign exchange proceeds testify that the measures being taken are effective. At the same time, major problems have yet to be solved in the area of foreign exchange regulation; there have been instances of violations of legislation in the foreign economic sector.

Despite the overall worsening of conditions for trade, Russian exports (volume in terms of value) stabilized in 1993, coming to \$43 billion. A considerable positive balance was achieved in trade with distant foreign countries in the amount of \$16 billion. This was ensured primarily by increasing the physical volume of deliveries of raw and other materials.

Changes in the geographical breakdown of exports caused the share of industrialized countries to increase from 58 percent in 1992 to 60 percent in 1993, and that of developing countries—from 11 to 14 percent, respectively. The share of the former member countries of the Council for Mutual Economic Assistance fell from 19 to 17 percent.

Germany, China, Great Britain, Japan, France, the United States, Hungary, and Finland hold leading positions in Russian exports. Exports to the countries of Southeast Asia—Hong Kong, Taiwan, Singapore, and the Republic of Korea—have developed at a high rate.

In the opinion of the leadership of the Ministry of Foreign Economic Relations, the slump in industrial production in Russia, worsening trends on the world market, and failure to solve the problems of state support for exports, including funding and insurance for them, have affected the volume, breakdown, and rate of growth of exports. Besides, exports experienced powerful pressure from industrialized countries, which have taken discriminatory measures against Russian trade. The interest of exporters in making deliveries of a number of types of products fell sharply. This happened as a result of the growth of domestic prices, transportation outlays, and high interest rates on bank credit.

Nonetheless, proceeds in foreign exchange from the exports of goods went up in 1993, reaching \$16 billion. In the opinion of the leadership of the Ministry of Foreign Economic Relations, this testifies to the gradual assertion of export and foreign exchange control, especially over the deliveries of strategically important raw material products.

### We Have Begun To Import Less

Compared to 1992, Russian imports fell last year by almost 30 percent and came to \$27 billion, which is mainly associated with the pursued policy of reducing state expenditures, including those for centralized imports; the latter declined by a factor of two. We also began to purchase less abroad due to restricting foreign borrowing, implementing a policy of containing credit extension, gradually abolishing subsidization of imports from the budget, and introducing the value-added tax on imported goods.

Industrialized countries accounted for 54 percent of the total volume of imports (62 percent in 1992), developing countries for 18 percent (14 percent), and former member countries of the Council for Mutual Economic Assistance for 11 percent (15 percent).

The greatest volume of import purchases was generated in Germany, China, the United States, France, Italy, Japan, Great Britain, and Hungary.

To be sure, we cannot fail to note that the existing methodology of registering statistical data in the area of foreign trade with which the State Committee on Statistics and, consequently, the Ministry of Foreign Economic Relations operate is far from perfect. This methodology was developed with the quite recently existing monopoly of the state in the area of foreign economic relations factored in; in many cases, it is simply not functional. For example, numbers indicate that trade between Russia and Sweden is declining; but according to Swedish estimates it is increasing, and at a quite confident rate.

In Stockholm they believe that Russia has moved from 32d to 28th place in Swedish exports. The explanation is quite simple: Unlike Russian statistics, Swedish statistics are based on registration of the volume of commodity flows crossing the border of the country; for this reason, they also register things exported by private persons. Given our current Russian reality, whereby customs duties have

increased sharply, a majority of importing companies, for example, importers of automobiles, perform their operations precisely through private persons.

In the opinion of Oleg Davydov, the latest changes in the leadership of the State Committee on Statistics should ensure a change for the better in this area. In his words, so far it has been virtually impossible in some cases to obtain accurate data; he personally encountered this in his numerous attempts to learn about the volume of trade with Baltic countries.

#### Great Changes Are Forthcoming

In the near future, by all signs from next year on, the approach to Russia as a country with state foreign trade will hardly be applicable. As Oleg Davydov stated, the state is planning to fully withdraw from this sphere of activities in 1995. All indications are that this will occasion major changes in the structure of the Ministry of Foreign Economic Relations itself.

As far as changes directly in the area of export and import operations are concerned, the determination to discontinue grain purchases abroad beginning next year is noteworthy. In general, Russian foreign trade will to a considerable degree depend on the domestic economic situation, what paths the reforms take, and what the next steps of the Russian Government in the economic area turn out to be.

The main avenues for the operation of the Ministry of Foreign Economic Relations in 1994 are:

- perfecting the regulatory and legal base for regulating foreign economic activities (VED);
- cutting back administrative methods and perfecting economic methods for the regulation of foreign economic activities;
- reinforcing export and foreign exchange control;
- creating a favorable regimen of trade in relations with foreign countries;
- ensuring the accomplishment of tasks in export and import operations to meet federal state needs;
- ensuring support for Russian exports;
- stimulating the attraction of foreign investment to Russia;
- settling the issue of the repayment of the debt of foreign states to Russia;
- coordinating and facilitating the development of foreign economic activities of the regions of Russia;
- improving informational and cadre support for foreign economic activities.

All the above avenues appear important. However, it makes sense to focus in particular on problems associated with the operation of the currency market in Russia. The point is that, in the environment of a high rate of inflation, the exchange rate of the ruble on the currency market has recently been maintained at an artificially high level. As a result, a paradoxical situation developed in January—even the export of oil and refinery products from Russia ended up unprofitable at the maintained ratio of 1,160 rubles [R] to the dollar. Oleg Davydov believes that had the exchange

rate of the ruble not fallen below the line of R1,500 to the dollar, export shipments could have simply stopped. Consequently, foreign exchange proceeds from exports, which come to \$3-3.5 billion, would have ceased.

Therefore, the sphere of foreign economic activities develops in a close interrelationship with domestic economic development. When particular measures are implemented in the economic sphere, it is necessary to soberly evaluate the entire range of possible side effects which, in terms of consequences, may prove far more serious than temporary advantages, even if they set the noble goal of ensuring stability of the national currency.

#### Davydov Assesses GATT Prospects

944Q0209A Moscow KOMMERSANT-DAILY in Russian  
26 Feb 94 p 3

[Article by Svetlana Sukhova: "A Decisive Stage of GATT Negotiations. Russia's Path to GATT Does Not Promise To Be Brief"]

[Text] Thursday evening after another round of GATT negotiations, the delegation from the Ministry of Foreign Economic Relations returned from Brussels. They had managed to coordinate the model for integration into this system, that is, clarify the details of the complex procedure that Russia will have to go through. One might say that Moscow stands on the threshold of the GATT. The head of the delegation, Minister of Foreign Economic Relations Oleg Davydov, reflects on the subject of whether or not Russia will manage to cross this threshold.

In Mr. Davydov's opinion, in order to gain equal opportunities and rights in the markets of the world, Russia must conclude two agreements in the near future—with GATT and the EC. Membership in GATT will make it possible to avoid sanctions (which today are applied against Moscow without any discussion) in a civilized way, that is, at the level of the GATT Council. Without even having joined GATT yet, Russia is already making plans for membership in another organization—the World Trade Association (WTA). This product of the Uruguay round of GATT, in addition to purely trade issues, will concentrate on problems of investment policy, intellectual property, and services. The WTA charter has not been written yet. But, in Mr. Davydov's words, it is already clear that if Russia enters GATT, it will be easier for her to join the WTA as well. After all participants in the agreement familiarize themselves with the statement of Russia's intention to join their ranks, Moscow must within six weeks provide responses to all questions they have (which should be addressed to Russia within a month) and then, in the event that disputes or trade conflicts arise, all problems are to be regulated on a bilateral basis. Only after this, and if she is supported by two-thirds of the votes of the Council, will Russia be considered to be accepted into GATT. Incidentally, in Mr. Davydov's words, it took the well-suited Switzerland six years to do this, while the less stable Mexico and Venezuela required only a year. And China entered GATT in 1983.

Additionally, the fact that Russia's trade legislation does not correspond to international trade legislation is an obstacle to her joining the agreement. Russian import tariffs are a "bone of contention." In the words of the chief

of the Ministry of Foreign Economic Relations, the ministry has particularly spoken out against raising tariffs for foodstuffs. And the West is dissatisfied with the fact that the current import tariff in Russia is three to four times higher than the European one. In order to coordinate all the issues related to this, a tariff-customs council has been formed in Russia. Although, as the minister especially emphasized, nobody except the consumers and the Ministry of Foreign Economic Relations, "which completely understands the need for free competition within Russia and advises in favor of entering GATT," is interested in reducing the import tariffs.

[Begin boxed item]

#### COMMENTARY

A red carpet is not likely to be spread out on Russia's path to GATT. All one need do is look at the course of the negotiations with this organization's leaders—from promises to complete this procedure by the end of 1993 to the postponement of the deadlines until the end of this year. Incidentally, this date too will probably be moved into the unforeseeable future: The regulation of disputes with the EC Commission (for example, regarding uranium and aluminum) is proceeding with a fair amount of difficulty. And one can hardly count on Russia's getting around these tough spots during the course of the GATT procedures, for example, the bilateral talks with France and the United States—the main ones wrangling over these questions. A great deal will depend on whether the Commission of European Communities abandons its positions, which have already been coordinated with Russia, relative to the need for mutual observance of GATT principles, which they think nothing of violating even in the EC.

[End boxed item]

#### Gaps in Foreign Trade Regulation Seen

944Q0209B Moscow KOMMERSANT-DAILY in Russian  
24 Feb 94 p 8

[Article by Vadim Bardin and Aleksandr Volynets: "Foreign Economic Regulation in Playing the Swan, the Crab, and the Pike"]

[Text] Two weeks ago, we wrote about how Russian departments are mastering economic methods of regulating foreign economic activity. This week the former unity was no longer there. The government decree "On Coordination Organs on Currency-Financial Questions," in spite of its conciliatory name, by eliminating the currency-economics commission, could aggravate the age-old interdepartmental dispute about access to the distribution of Western credit. At the meeting of the government commission on operational issues, the latest version of the new import tariff was approved, and in parallel the GTK [State Customs Committee] with its instruction, "On Exemption From Payment of Customs Duties of the Russian Fund for Disabled Veterans of the War in Afghanistan," is legalizing the almost forgotten but still no less attractive practice of granting customs benefits just like that—for an organization. As a result, there are gaps in the system of regulation, of which participants in foreign economic activity could very well take advantage.

#### The Ministry of Finance Has Its Own Credit, and the Ministry of Foreign Economic Relations Has Its Own

The restructuring of the government apparatus, which was brought about by the reduction by half of the number of deputy prime ministers, was reflected particularly in the elimination of the currency-economic commission, "because the tasks assigned to it had been performed." This wording, unfortunately, does not mean that there is no centralized currency left at all. It comes from two main sources: exports credited to state quotas and foreign credits. The former is under the jurisdiction of the Ministry of Finance, as the holder of budget funds. It has the firm intention of taking control of and distributing Western credit granted to Russia. But in practice, although the conclusion of the Ministry of Finance will be taken into account in each specific case, the old method is most likely to be used: the submission of the question at the level of some collegial government organ. And it will have to weigh the claims of the departments, that is, at least a deputy prime minister will have to head this commission. Of the available deputy prime ministers, only Oleg Soskovets is suitable for playing this role, and he is already in charge of a commission on operational issues, which will actually expand its authority.

For now the Ministry of Foreign Economic Relations [MFER], under whose wing the Russian Export-Import Bank (Roseksimbank) is being created, will provide an example of independent extension of lines of credit. While Roseksimbank must initially grant ruble credit to producers of export products, in the future it will not be prohibited from drawing to itself some of the credit of "related" Western banks, in whose distribution the MFER will not have the last word. The credit priorities of the MFER have already been determined: joint-stock companies and state enterprises under its jurisdiction.

#### The New Import Tariff Has Not Even Been Adopted, but Ways Around It Have Already Been Devised

At the meeting of the commission on operational questions, which in principle approved the new import tariff to take effect on 15 March, it was stated that the average level of customs rates ranges from 7.5 to 18 percent. On the whole, the rates are simply being increased. But, according to the assessment of the deputy minister of economics, Sergey Vasilyev, the lobbies of the Russian automotive and aircraft builders are committing "highway robbery" with their high offensive import duties. Thus, to the traditional commodity groups that enjoy increased customs protection—alcohol and liquor products, motor vehicles, electric household appliances, equipment for petroleum and gas extraction (such is the condition for receiving the associated credit from the American Export-Import Bank)—they may also add aircraft (recently Russian airline companies have preferred Boeing), products of the textile industry, and foodstuffs. The struggle of the branch representatives is not over, and the question of the customs tariff is to be considered again at a meeting of the government next Thursday. Moreover, the influence of branch lobbies is apparently becoming a permanent thing: At the meeting it was suggested that they create a Tariff-Customs Council, which would be authorized to work out operational changes in the rates of customs tariffs (the government would still make the final decision). But customs duties are



not the only thing affecting the dynamic of imports. In January, when exchange rates were favorable for imports, new excise taxes led to an absolute reduction of imports as compared to January of last year. It cannot be ruled out that on 15 March the inevitable (although, possibly, partial) successes of the supporters of raising rates of the import tariff for certain branches of industry will be accompanied by a marked decline of the ruble, which will make import activity a losing proposition. But not for everyone.

The GTK has returned the benefits to disabled Afghanistan veterans, the same ones that were taken away last July in compliance with the law on the customs tariff. This time the basis for the decision of the GTK was the president's edict, "On Measures for State Support for the Activity of All-Russian Public Associations of Disabled Persons." Yet under that same law (Article 34) the newly granted benefits "may not be of an individual nature." The benefits were localized by concrete contracts. It is an important precedent, however: A breach has been made in customs barriers that worsen conditions mainly for import activity, which in principle may be utilized by more than disabled Afghanistan veterans. The technology is well known: variations on the theme of sale of contracts and supplements to them as futures. But the main thing is that the Afghanistan veterans have laid a path that can now be widened, and importers and exporters have been given a point for application of their efforts.

#### **Nuclear Energy, Transportation Protocols Signed With French Group**

944Q0208A Moscow KOMMERSANT-DAILY in Russian  
26 Feb 94 p 6

[Article: "The French Are Ready To Re-equip Russia's Nuclear Power Stations: Visit by the President of Groupe Schneider"]

[Text] The French industrial Groupe Schneider yesterday signed protocols governing cooperation with Gazprom and with the Rosenergoatom concern of Minatomenergo [Ministry of Atomic Energy]. Scheduled to occur simultaneously with these events was the visit to Moscow by Didier Pineau-Valencienne, president of Groupe Schneider. The signed agreements can be evaluated as the beginning of large-scale Russo-French cooperation in the area of nuclear power engineering and the transporting of petroleum and gas.

[Editorial note] Groupe Schneider is one of the world leaders in the area of developing and producing electrical-power engineering units and systems for monitoring production cycles and distributing electrical power. It includes 180 industrial enterprises and has representations on 130 countries. Its annual turnover exceeds 61 billion francs. Cooperation with Russian entrepreneurs began in the 1880's with the construction of bridges in St. Petersburg. Schneider also delivered equipment for KamAZ, GAZ, ZIL, and a number of enterprises in the chemical industry.

The cooperation protocol signed by the Schneider president and by Erik Pozdyshev, president of the Rosenergoatom concern, stipulates the modernization of the control and protection system at the Kola AES within the framework of the program for technical assistance to the

CIS countries, which is being implemented by the European Economic Community (TACIS). Other projects that have been planned are the Kalinin AES (modernization of the medium- and low-voltage distribution devices), as well as the Balakovo and Smolensk AES, where work will be done to improve the physical protection. It is planned to finance the projects along EEC lines. Commenting on this agreement, M. Pineau-Valencienne remarked that in France 75 percent of the electrical energy is produced by nuclear electrical-power stations, and, from the ecological point of view, nuclear power engineering, provided that a reliable safety system is functioning, meets the highest requirements.

In accordance with the cooperation protocol between Schneider and Gazprom, it is planned to carry out operations to modernize the electrical equipment at the compressor stations of practically all the existing Russian petroleum and gas pipelines. Answering a question asked by a KOMMERSANT-DAILY correspondent concerning the prospects for a resultant increase in the exportation of Russian gas to France, the Schneider president confirmed this possibility as a result of the reduction of shipments from Algeria.

Touching upon the Groupe Schneider strategy in the Russian market, M. Pineau-Valencienne commented that its basic positions would be cooperation in guaranteeing the safety of Russia's existing nuclear electrical-power stations, systems for automatic control and monitoring of the operation of AES, and the modernization of Russian petroleum and gas pipelines with Schneider electrical equipment. The industrial group's sphere of interests also includes the exchanging of progressive technologies, the production of individual types of French equipment at Russian enterprises, and the training of Russian personnel.

KOMMERSANT-DAILY experts remark that the visit by the president of Groupe Schneider may encourage competition among the leading Western concerns to obtain production orders in the field of transporting gas and modernizing Russian AES.

#### **French Firm Wins Contract for Kazan Airport**

944Q0208B Moscow KOMMERSANT-DAILY in Russian  
26 Feb 94 p 6

[Article by Galina Pechilina: "The Status of Sheremetyevo-2 May Drop Soon: Tender for Construction of the Airport in Kazan"]

[Text] In Tatarstan there are serious intentions to convert the Kazan airport into a basic airport on the air route from Europe to Asia. Yesterday the results of an international tender for the modernization of the Kazan airport were announced. The winner has proved to be the BOUYGES firm (France). The modification of the airport may involve the reorientation of the network of air communications between Europe and Asia, since the path by way of Kazan saves more than an hour of flight time as compared with flights by way of Sheremetyevo-2.

As KOMMERSANT-DAILY has already reported, it was proposed to the winners in the first stage of the tender that was held in June-August of last year—the companies BOUYGES (France); Spie Batignolles (France, Turkey); Kodest (Italy); and Jugodrvvo (Yugoslavia)—that they

modify the plans in conformity with the terms of the technical assignment. Yesterday the tender committee announced that the winner is the BOUYGES firm, which developed a plan with a total cost of \$198,360,000, and which guarantees the complete handing over of the project in three years.

[Editorial note] The French BOUYGES construction company was created in 1954. It has branches in 84 countries throughout the world. Its annual turnover is \$13 billion and it has 150,000 employees. It is the owner of French television Channel 1.

[Editorial note] The Kazan airport provides for the acceptance of 8000 passengers and 113,840 tons of freight a year. In 1992 it was accepted into the Association of International Airports. It has regular air communication with Turkey.

The modernization of the Kazan airport stipulates the construction of a runway that can accommodate the operation of aircraft of all types (including the Boeing-747-400 and the IL-96-300), the air terminal building, and a hangar for the technical servicing of aircraft. Subsequently a technical service center, freight terminals, and a hotel will be built.

According to BOUYGES commercial director Pierre Boiche, the modernization will make it possible to increase the airport's handling capacity to 1000 passengers an hour. The project stipulates the creation of a joint enterprise in which 51 percent of the shares will belong to Tatarstan, and 49 percent to an association of foreign firms that is headed by BOUYGES. Tatarstan's share, as viewed by the project initiators, is in the form of offering the French side the right to use the Kazan airport, including the ground on which it is located, for a period of no less than 25 years. France's investment includes monetary funds, technologies, and participation in the construction. It is planned to finance the project along two credit lines: from the French government and the YeBRR [European Bank for Reconstruction and Development] at 7 percent annual interest. M. Boiche also mentioned as possible investors the French companies Thomson, Alcatel, and Total. In order to obtain credit, Tatarstan government guarantees will be required. According to Valeriy Stekolshchikov, vice-premier of Tatarstan and chairman of the tender commission, it is planned to begin implementing the project during the current year.

Plans for constructing new air-transportation centers in the CIS have arisen not only in Tatarstan. People in St. Petersburg are considering the possibility of expanding the Pulkovo airport in order to convert it into a center for air shipments in the northwest region of Russia. This may also exert an influence on reducing the status of Sheremetyevo-2 as the main international airport in the CIS.

[Note, signed "Business Department"] The remodeling of the Kazan airport, which does not yet meet the requirements that are made for a major world-class air-transportation center, presupposes the future competition between the Kazan airport and Sheremetyevo-2, which in the CIS today is the basic point where international air lines intersect. One cannot fail to mention the scheme that was proposed for the first time in projects of this type—the scheme for "backup" insuring of the risk taken by the foreign partner, when, in addition to the granting of

governmental guarantees, what is practically the taking of the airport under pledge is proposed. Tatarstan's agreement to this attests to the intention to construct the airport at any price. In general, similar airports are constructed abroad only after the confirmation of the intentions to use it on the part of the leading air companies. However, the representations of British Airways, Air France, and Lufthansa have not yet commented on their actions in this instance, although the possibility that Kazan can accept Boeing-747 liners, which are the basic aircraft for the long-distance lines of the leading air carriers in the world, cannot fail to attract the attention of those carriers.

### Talks With Danish Energy Officials on Cooperation

94P20476Z Copenhagen BERLINGSKE TIDENDE  
in Danish 19 Feb 94 p III 2

[Article by Kaj Skaaning: "Danish Help for Russian Oil Industry"]

[Text] Energy Minister Jann Sjursen (Christian People's Party) and DONG [Danish Oil and Natural Gas (Consortium)] Chairman Holger Lavesen have begun talks with Russia's energy minister on using Danish expertise in the race for the enormous oil and gas reserves in Russia.

The Russians are interested in attracting Danish know-how. Up to 40 percent of the world reserves of natural gas are found in Russia.

In connection with the just-completed visit to Moscow, discussions were initiated among Sjursen, DONG Chairman Lavesen, and Russian Energy Minister Yuri Shafranik.

"Among other subjects brought up were the possibilities for employing Danish expertise with respect to geological explorations and legislation dealing with the underground area," said Sjursen.

"In the area of gas and oil, there may also be interest in cooperating with regard to know-how, exporting, organizational issues, and tariff systems, as well as to training and management programs."

A number of enterprises and organizations from the Danish energy sector participated in the trip to Moscow, where at a seminar in the Russian energy ministry they had opportunity to present Danish technology and know-how in a number of energy-related fields, such as electricity and heat generating, district heating, renewable energy, oil and gas, as well as metering of consumer use.

"In the conversations with Shafranik I received a very current briefing on the enormous problems plaguing the Russian energy sector. Among other ways, these are revealed in falling energy production and in the serious debt crisis experienced in many Russian energy companies," continued Sjursen.

A cooperation agreement, which had been under preparation over a long period, was signed by the two ministers during the visit.

## KAZAKHS

### Conduct of Parliamentary Elections Surveyed

#### Conduct of Elections Surveyed Regionally

944K0864A Almaty KAZAKHSTANSKAYA PRAVDA  
in Russian 10 Mar 94 p 1

[Report by Lyubov Dobrota, Anatoliy Akava, Sergey Nesterenko, and Vladimir Li, KAZTAG and KAZAKHSTANSKAYA PRAVDA correspondents: "Parliamentary Elections Are Over. Now We Have To Sort Out Who Got Elected"]

[Text]

#### ALMATY

The three-month-long election marathon in Kazakhstan, which was to determine the composition of the first professional parliament and new local representative bodies—*maslikhats*—has reached the finish line. On 7 March, At exactly 0700, the doors of more than 10,000 republic election precincts opened, almost 7,000 of them in rural settlements and at animal breeders' winter camps. Kazakhstan citizens abroad also voted—at 14 precincts in our representations.

Almaty election precincts were crowded from the very early morning. This confirmed once again the validity of sociological services' forecasts: Population polls conducted on the eve of the elections showed that at least 70 percent of the voters intended to participate. Most of them, in answering correspondents' questions before dropping the ballot in the box, did not hide that they would choose progressively-minded candidates for deputies.

Nursultan Nazarbayev and his spouse came to cast their votes at the election precinct set up in Friendship House. The head of the government held an impromptu press conference for local and foreign journalists on the spot. The questions asked were mainly one and the same, just different phraseology: What hopes does the president pin on the new parliament?

I hope very much, he said, that a professional parliament will work more actively than the old one, and will contribute more to the democratization of our young sovereign state, the advancement of economic reforms, and the reorganization of the legal system. In order to successfully carry out this role, it will have to adopt laws that will realistically advance transformations in the republic and at the same time will attract Western investors into its economy.

Journalists got no reply to the question, however, which of the candidates for Supreme Council deputy seats did the Nazarbayevs vote for. All I can tell you, joked the president, is that my wife and I had no disagreement in this respect.

Prime Minister Sergey Tereshchenko also cast his vote in the same precinct. In an interview by journalists he emphasized that in any civilized country the government and the parliament are in certain opposition to each other, and this is quite logical. But at the same time, it is very important for the Supreme Council to adopt laws and decrees that the government could realistically carry out and that would be

backed by financial and material resources. Deputies should not make strictly populist decisions.

One of the precincts was located in Kazakh Secondary School No. 12 in the center of the capital. The stream of voters here was such that lines quite often formed to the enclosed ballot booths. There are quite a few young people, and this clearly refutes certain maxims on this subject: Our youth, they say, is apolitical.

Vice President Erik Asanbayev came to cast his vote here. Answering correspondents' questions, he said that he believes in the vitality of the republic's future first professional parliament. The Supreme Council is elected on a multiparty basis and reflects the attitudes and interests of a most diverse social strata. This is what provides hope that the new parliament will meet the expectations of the republic's multinational population and will become a real and effective representative power.

Its professional level, in the vice president's opinion, will be determined not just by the degree of deputies' personal abilities—the old Supreme Soviet also had quite a few competent specialists and scientists. The important part is that now drafting and adopting laws becomes the only business of parliament members.

#### SHYMKENT

The elections just held have been dubbed not only the most democratic but also the most difficult. Probably for the first time in several decades, ballots could not be delivered to two election precincts in the southern part of Kazakhstan—the Ugam animal husbandry distant pastures in Kazgurtskiy Rayon, where 47 voters live, and the Taykanu precinct in Suzakskiy Rayon, with its 380 voters. Because of weather conditions, a military armored vehicle and an all-terrain vehicle were dispatched to deliver ballots to Taykanu. Another spell of raging elements kept even them from arriving at the election precinct in time. Moreover, until the last moment there was no information on the whereabouts of the crews. All other election precincts opened on time on 7 March. In oblast rayons voters quite actively and, by old habit, early in the morning went to fulfill their civic duty. The election headquarters, set up under the oblast administration, where all information flowed, by lunchtime breathed a sigh of relief: The voter turnout would be sufficient. As British observer Steve Lane noted, in Sayrama he saw early in the morning voter activism, enthusiasm, and lines to voting booths.

Shymkent's election precincts did not begin to buzz with life until 1000-1100. At that time, one could see sizable lines for the ballots and to the voting booths. There were candidates' observers present at practically all election precincts in the oblast center. Most of them behaved properly, watching the proceedings and not interfering with the process of voting. Unfortunately, there were some unpleasant excesses. The authorized representatives of one of the candidates grabbed a stack of ballots and tore them up, and also opened the ballot box on their own. There also have been instances of illegal agitation in front of election precincts. The Procuracy is looking into all this now.

Dutch observers did not see the elections in as favorable a light as Mr. Steve Lane did. They saw a violation of the democratic process in the fact that invitations had been



delivered to voters' homes. As well as in that 3,000 signatures were required for a candidate's registration rather than only the 10 in their country. The Dutch were also puzzled, to put it mildly, by monotonous propaganda leaflets, which, they said, are boring to read. There were many other comments, which will be discussed. Now the data from rayon elections continues to flow into the oblast electoral commission; they are sorted out and analyzed. It is hard to tell at this point how many candidates from which party or public movement will win parliamentary seats.

Overall, in Yuzhnyy Kazakhstan Oblast the voter turnout was 79.8 percent.

#### UST-KAMENOGORSK

Literally on the eve on 7 March, in election precinct No. 38, the registration of M. Kozlov, a candidate for Supreme Council deputy, was overturned by a court ruling for violating the Election Code. The ballots with his name were already in the precincts, however. Therefore, the name of the failed candidate had to be struck out as bulletins were issued to voters, which, naturally, caused incomprehension and indignation. Some voters in protest struck out all candidate names on the ballot—both for the Supreme Council and for local bodies of representative power.

M. Kozlov probably has himself and his team to blame for what happened. Having made a last-minute mistake, they gave rivals an opening to put them out of the game, which is what the latter did. This is a lesson that in an election campaign one cannot relax till the very end. Nobody can count on greenhouse conditions these days. Those times have gone irretrievably into the past.

#### AKMOLA

According to the oblast electoral commission data, 76.1 percent of the residents in the Ishim virgin lands area participated in Supreme Council elections.

Overall, elections proceeded calmly, although there have been a few excesses.

"Most trouble came from observers," explained R. Koval, chairman of the Akmolinsk Oblast electoral commission. "By decision of the central electoral commission, the deadline for candidates to file an application to field observers was 21 February. They did not do it in time. The deadline was extended to 3 March. And still, many candidates scrambled only on election day."

There were a total of 361 observers monitoring elections in Akmolinsk Oblast, including British citizen Mr. Nigel Butler, who has already served as an observer in Romanian, Russian, and African states.

Having said that it is against his principles to criticize the electoral system of another state, Nigel Butler nevertheless noted a number of insignificant but violations nevertheless that have been observed in the course of elections. Among them are incidents of some voters casting ballots not just for themselves but also for family members; filling out ballots outside the voting booth; and the shortage of booths.

Nor was Nigel Butler satisfied with the quality of work of local observers who, as he put it, mostly just sat at a distance instead of watching the course of elections.

#### KZYL-ORDA

The results of elections to the oblast maslikhat were interesting and even unexpected. Of seven SNEK [expansion not given], Kzyl-Orda residents elected six. Four seats in the oblast maslikhat went to representatives of the Azat civic movement, three, to members of the Socialist Party, and one, to the Republican Party. Representatives of the People's Congress of Kazakhstan see their two seats as a defeat.

Judging by the results, it looks like Kzyl-Orda residents do not particularly trust parties and movements: 19 mandates went to candidates not affiliated with any parties. This is something for party and movement activists to contemplate.

#### Commission Head Assesses Election Campaign

944K0864B Almaty KAZAKHSTANSKAYA PRAVDA  
in Russian 10 Mar 94 p 1

[Report by KAZAKHSTANSKAYA PRAVDA correspondent Natalya Todorova: "Central Electoral Commission Chairman Is Satisfied With the Election Campaign"]

[Text] "The elections in Kazakhstan are an accomplished fact," was the solemn opening phrase of Central Electoral Commission [CEC] Chairman Karatay Turysov at the press conference on 7 March.

By 1700, 58 percent of Kazakhstan residents had turned out at election precincts. And the CEC could now be firmly confident that the republic population would not boycott such an important political campaign as elections to the Supreme Council and to maslikhats. Subsequent statistics confirmed this optimistic prognosis: By not yet final data, 73.84 percent of the Kazakhstan residents took part in the elections; in the capital, this figure stood at 62.59 percent.

Nature attempted to make its negative adjustments to the course of elections: In the north, it was unseasonably bitter cold; the south and west were hit by snowstorms. Activists from district and precinct commissions, assured the CEC chief, countered the weather with a high degree of organization, aided by modern communications. For instance, it was decided to transmit the preliminary results of voting at the remote animal husbandry pastures by radio telephone.

A high degree of organization in the course of election campaign was noted, according to the CEC chairman, by numerous foreign observers as well.

Of course, the question arose regarding violations recorded in the course of both election campaign and the elections.

"I do not see grounds for great concern," said Karatay Turysov, in this connection. "Shortcomings and snags always happen in such a major undertaking. There have been no major incidents in the republic."

As to "minor incidents," the head of the chief electoral body sees the cause as being that both the candidates and some district commissions did not comply with the provisions of the Electoral Code. As is known, the Supreme

Council brought different level administrations into organizing the elections. And in this, even the watchful CEC had trouble distinguishing where the local administrations' direct duties ended and direct abuse began. Where the violations were obvious, electoral bodies' sanctions followed: warning, withdrawal of registration. Or, vice versa, actions to protect contenders for deputy mandates. Six candidates have been restored in their rights by a direct CEC decision. Some "eliminated" candidates for deputies have not succeeded in going all the distance in their appeals: Election day found some in the corridors of the Supreme Court, and some, of the Constitutional Court. The Karaganda procurator decided to invalidate election results in those districts where the code had been violated in the process of candidate nomination.

"As a CEC chairman, I am satisfied with the election campaign," said Karatay Turysov in conclusion. "I believe that under any circumstances we will have a highly professional parliament!"

The CEC promises to make public the final results of the vote and the names of deputies in our new parliament on 14 March.

#### **Election Violations Reported in Almaty**

944K0864C Almaty KAZAKHSTANSKAYA PRAVDA  
in Russian 10 Mar 94 p 1

[Report by KAZAKHSTANSKAYA PRAVDA correspondent Tamara Kaleyeva: "A Rich Spectrum of... Violations"]

[Text] From the early morning of 9 March, complaints on numerous violations of electoral procedures began to flow to the republic's Central Electoral Commission [CEC] and the editorial offices.

These violations are so diverse that merely listing them may create an impression of chaos; therefore, let us try to sort them out systematically.

I will begin with the point that is not a direct violation of the Electoral Code, but had a substantial impact on the results of the vote. Ballots have been printed in only one language—either Kazakh or Russian. Those who do not speak both languages immediately found themselves in a quandary: There are many names, quite often unknown, and there is no way to find out who they are, where, and in what capacity they work. Choices were being made on the basis of nicer sounding names, lucky numbers, and other accidental attributes.

Handing to the voters the ballots with the names of candidates running on a state slate, electoral commission members frequently explained: "In this, you need to leave two names." What they should have said is not "need" but "may": You may leave two names out of three. Most likely, this wording was used without giving a thought to the nuances of its meaning; nevertheless, what we have is hidden propaganda on the day of elections, that is, a direct violation of the rules. There is no need to name specific addresses: This observation applied almost everywhere.

A serious and very widespread violation of the electoral law was the so-called "family vote," where one person cast ballots for two, three, even six persons. The CEC and district commissions' leadership explained many times in

advance that such practice is a thing of the past; now there is a strict rule—one person, one vote. Perhaps not all voters comprehended this rule, but electoral commission members should have...

A gross violation of the law was noted by observers in Aksayskiy and Aynabulakskiy districts in Almaty. The law requires that after the voting, before ballot boxes are opened, unused ballots be carefully counted and canceled. This was not done at these districts' precincts. This creates a tremendous opportunity for gross lawlessness: having found a moment when nobody is looking, one can fill out the ballots any way one likes—according to one's own preferences or with direction from above. It is possible that uncanceled ballots have indeed remained unused, but where is the guarantee?

A glaring violation of the law was recorded in precincts No. 303 and No. 306 of the same Aynabulakskiy District No. 10: Close to the time of vote counting, there appeared "additional" ballot boxes, full of ballots, that were unregistered and had not been sealed in the morning. Where from?

Advance votes by students provided great opportunity for violations: In a number of precincts it began as early as 4 March, since heads of higher education schools decided to let their wards go home for holidays...

This is the very first data from the capital. We should apparently expect complaints from other oblasts in the republic at a later date—according to preliminary information, there are quite a few such facts there as well. So it looks like we will be talking about these elections for quite a while: Most likely, there will be claims filed with all sorts of judiciary offices, requesting the invalidation of election results.

#### **Foreign Observers Report Irregularities**

944K0864D Almaty SOVETY KAZAKHSTANA in Russian  
10 Mar 94 p 1

[Report by an unidentified KAZTAG correspondent: "Western Observers Disagree With Assessment of Organization and Conduct of Elections in Kazakhstan"]

[Text] Elections in Kazakhstan were accompanied by numerous gross violations of the procedure of expressing citizens' free will. This was the conclusion, for instance, of observers from the delegation of the CSCE Parliamentary Assembly, the International Electoral Systems Foundation, and a number of far-abroad countries that monitored the course of the election campaign and elections in the republic.

In their opinion, violations mainly boil down to 10 points. First and foremost, the republic's current system of candidate registration is complex. They note vagueness and a lack of concrete points in the programs of many contenders for deputy mandates, and their poor coverage in the local mass media. Among shortcomings impermissible for pluralistic democratic elections they also named one person voting for himself and relatives, bringing ballot boxes home to some voters, and the absence of guards at some election precincts.

Foreign representatives also complained that they were not permitted to visit a number of restricted-access election

precincts. From which it follows, according to them, that this provided an opportunity for various forgeries and machinations.

To find out the reaction of the Central Electoral Commission [CEC], we turned to its chairman, Karatay Turysov, and asked him to comment on these and other allegations of foreign observers. The answer was: They are all being carefully checked out now and appropriate explanations on this subject are forthcoming.

I personally, noted K. Turysov, am not inclined to overly dramatize the situation. We have to base the assessment of elections on current realities in Kazakhstan; to ignore them is to take a deliberately biased position. Take, for instance, voting by a state list. This procedure is built into the Electoral Code, which had been adopted by the self-disbanded Supreme Council, and ignoring it would be a direct violation of the current law. The same could be said about elections in some military units. Existing security procedures for protection of state secrets do not permit letting foreign observers enter special secret defense installations. But voting there was conducted under the personal supervision of members of district electoral commissions.

By the way, many other foreign observers, who take a more realistic position, are well aware of this. In particular, those from France, Russia, Turkmenistan, and a number of other countries. For instance, the French Ambassador Plenipotentiary and Extraordinary Bertrand Fessard de Foukalt in a personal conversation with me characterized the organization and the initial results of elections as a clear success of the young Kazakh democracy.

#### **Nazarbayev Style, Handling of 'Russian Question' Examined**

944K0788A Moscow KURANTY in Russian 18 Feb 94 p 4

[Article by Mikhail Shchipanov: "Did Nazarbayev Spoil the 'Russian Question?' We Promise To Thin Out the Pantheon of Our Political Bohemia in the Near Future"]

[Text] There is every reason to suppose that our extremely mobile public opinion will clash in the near future with the failure of still another perestroika legend—the legend about the wise reformer and spontaneous democrat, the great friend of free Russia, Nursultan Nazarbayev. By nickname "the red emir." It is always extremely unpleasant to part with legends. Especially against our background of massive disappointments in simple, but radical decisions, the aspiration to the panacea of a firm label. But it is simply necessary to understand from where the legend about Nazarbayev came.

However, for the beginning it is nevertheless necessary to understand in how far our prophets, who in spite of the well-known parable have multiplied chock-full in our Homeland, are so inconsistent. To illustrate, we will take two political figures, who at various times have caused a considerable stir in Russian minds—General Pinochet and the lawyer Zhirinovskiy. Both of them have been treated as fascists without any special reasons, since neither the one nor the other in a strict sense meets the classic national-socialist definitions. But the essence is not to be found in this disappointing misunderstanding.

The embarrassment lies in the fact that the same eloquent prophets, artists at heart, whom from the moment of safe glasnost they invited to the Russian throne of their own Pinochet, called upon to cut with a dexterous stroke, in a fully Chilean manner, all the knots tied by the communists, have fallen into despair, abusing their own "people as not yet mature for democracy", having seen in parliament Zhirinovskiy with his falcons. It would seem, they conjured up a fascist a la Augusto Pinochet—and a fascist, according to their definition, they received, but instead of gladness—vulgar language. Or are no two fascists alike? There are fascists who are ours and who are not ours.

The problem, of course, lies elsewhere. In the example of V. V. Z. [Zhirinovskiy] it has become quite evident that many of our creators of public political theories and images do not think with arguments and concepts, but with models so to speak, they put external sympathies higher than logic and concrete knowledge. Strictly speaking, there would not be anything surprising in this since Bohemians have started to come out into political boundaries in the garbs of prophets, and recent theater critics—have made their debut in the capacity of newspaper political scientists. . . A whole direction of thought has arisen which can be fully defined as political Bohemianism. The legend of N. Nazarbayev can be explained precisely as by the views of this stratum.

In the case with Nazarbayev, the image of the progressive ruler, established during the epoch of the ecstasy of perestroika, completely concealed the real state of affairs in Kazakhstan for many Russian lovers of political literature. To this day, many in Moscow are prepared to close their eyes to the openly authoritarian order of the republic with the blue flag and the absence there of—in the Gaydar sense—real economic reforms, to the national socialism that is gathering force there, and the edge aimed against the Russian community. And Nazarbayev is forgiven a great deal because he is. . . Nazarbayev.

Naturally, Nazarbayev gained a great deal from the fact that, at the moment of the collapse of the Union, he was already a well-known and recognizable politician. He had enough intellect if only to follow in the wake of Gorbachev, but to keep his distance, giving rise to rumors of an independence unknown in the Union. That mask of the independent "perestroika-politician" helped Nazarbayev in the beginning to avoid the Gorbachev trap of the vice presidency, and then not to go to the bottom with the retinue of the last general secretary.

The Belovezhsk Agreements became the first strike at the prestige of the "red emir." On the one hand, he was shown his place, not even having been informed about the plans of the Slavs. But on the other, it was incredibly comfortable for Nazarbayev behind the cracked walls of the USSR. Nursultan Abishevich, earlier than the other colleagues from Central Asia, understood that an Eastern ruler in of his own accord is of little interest without the magical power of the Union looming behind his back. And the state of the union's semi-disintegration made it possible for Nazarbayev once more to "shine," coming out with his own initiatives for the reconciliation of the center and the republics. Taking into consideration the fact that even President Bush at that moment was an opponent of the



liquidation of the empire, the mediator Nazarbayev collected points in the larger world game: He was recognized and well remembered. And the longer the period of semi-disintegration would last, the more of the residues of the might and authority of the Union would be "privatized" by the Kazakh, who had understood the methods of Shevardnadze very well. But Shevardnadze at this moment had virtually departed into non-existence and all the laurels went to Nazarbayev. For this reason, the rapid disintegration of the Union became for N. A. N. [Nazarbayev] the strongest personal defeat. In the economic sense, he already did not add anything to it, in the political sense, the losses were obvious.

Vague and temporizing was Nazarbayev's position during the days of August 1991, but he left the Union with an international reputation of a politician of wise, balanced and open reforms. The latter circumstance, strictly speaking, in no way assumed concrete form. But the image is really more precious than money. Somehow in the bustle it was forgotten that the liberation of prices, already widely announced, was held back precisely at the insistence of Nazarbayev, and to this day it is unclear what the cost of the ultimatum of the "reformer" of Russia was.

Later the insurance policy of its own natural resources mitigated for Kazakhstan, in contrast to some of the other post-Soviet republics, the burden of the transition period, and the interest of Western investors in the power of Nazarbayev was hastily proclaimed as the best proof of the effectiveness of the reforms begun under his wise leadership. About the policy which so actively fought for the formation of the CIS nothing bad could be written at all. Either good, or not at all.

Meanwhile Nazarbayev understood one indisputable truth: What concerns Western investors is not his passion for reform and not even state democracy (naturally democratic proprieties must be observed), but only political stability.

And as a result, the simple goal of stability began to justify any means: The suppression of any free thinking, suppression of the press, the pleasing of Kazakhstan's own nationalists, the forcible change of the demographic situation, and bans even on national-cultural autonomy. Nursultan Abishevich drew conclusions from yesterday's masochism of his Russian colleagues, who for the past 2 years, as it were, specially tested their own fate, discussing abroad the threats of the red-browns, apparently not being aware that in so doing they merely decrease the chances for capital investments from the outside. Nazarbayev, on the contrary, quite in the Soviet manner, likes to talk about the unity of the people of Kazakhstan.

But precisely here the "Russian question"—the fate of the Kazakhstan Slavs, who constitute nearly 40 percent of the republic's population—presents a special danger for the building of the Nazarbayev prosperity. The slightest allusion to the coming aggravation of inter-nationality relations in the "red emirate", threatening unprecedented shocks—and the ephemeral reformist curtain, put up with such oriental art by Nazarbayev, simply comes tumbling down. The projects of the century will remain unrealized, but the king (more correctly—"emir") risks turning out to be naked. The laughing-stock for all.

The realization of such an indisputable fact during the past several months is clearly obscuring Nazarbayev's reason. Meanwhile the crisis in his relations with the Kremlin is slowly ripening. Strictly speaking, Nazarbayev received the first strike from Russia at the moment of the breakdown of the de facto ruble space. Not having received the requested supplies of Russian rubles of the new pattern, Nazarbayev, the "successful reformer," was deprived of one of the bases of his ostentatious economic prosperity—permanent Russian subsidies. The time of prosperity was over.

Since that time, Nazarbayev and Yeltsin have practically not had a single personal meeting. Even during the CIS summit meetings. Recently in Ashkhabad Nazarbayev found the possibility to meet and talk *tete a tete* even with Leonid Makarovich [Kravchuk], but by no means with Boris Nikolayevich. Nazarbayev with all his might is demonstrating his dissatisfaction with the policy of Moscow, which has revealed, with some delay, the millions of our own compatriots in the outlying districts of the former empire. A new turn for Nazarbayev for the demonstration of character is the problem of dual citizenship for Russians, who by the will of fate have unexpectedly turned out to be emigrants.

And here Nazarbayev displayed a for a refined and variegated oriental ruler unprecedented inflexibility. His unbending "No" clearly troubled Andrey Kozyrev, who with all his might tried to observe diplomatic etiquette. Moreover, Nazarbayev not only himself does not allow his Slavic subjects to adopt a second Russian citizenship, but he also is among those who are now exerting pressure on A. Akayev, who has already given his assent to the Russian proposal. Why is Nazarbayev so confused by the specter of a second passport among his fellow citizens who are residents of Kazakhstan? Is it not because the queues in front of the Russian embassy better than anything else tell about the real achievements of his regime?

The introduction of dual citizenship clearly does not suit Nazarbayev for two reasons. First of all, the very logic of authoritarianism does not leave the subjects (we are not talking about citizens) room for maneuver. It is no secret that not only Russians are aspiring to Russian citizenship everywhere, but many "aboriginals"—titular nations. The classic example is Armenia. Secondly, dual citizenship, under any propagandistic orders, is the acknowledgement of national trouble, smouldering behind the smiles of Nursultan Abishevich. Of the indirect support of the "Russian question," an act whose existence can mine the "system of Nazarbayev." This, the "red emir", who counted on the attractive, painted curtain of complete political and ethnic stability, cannot allow under any circumstances. The comedy of masks must be continued as long as possible. For the time being, large dollar flows are not coming into Kazakhstan. Well, and then, as, evidently, they count on in the entourage of the "emir." The West, having become the hostage of its own money, will be forced to support any eccentricities of the ruler.

However, it is not enough for Nazarbayev simply to refuse the Russian proposal for the introduction of the institution of dual citizenship. It is extremely necessary for him to receive directly from the Kremlin the assurance that no "Russian question" of any kind exists in the Kazakhstan subordinated to his will. There cannot be because there can

never be one! And this is why, as people in the know assert, Nazarbayev demonstratively procrastinates with the long ago announced personal meeting with his colleague Yeltsin, trying to attain, they say, from the Russian president public confirmation of the "inter-nationality purity" of the policy of Nursultan Abishevich. To go for such a concession to Nazarbayev would be a strategic error for Yeltsin. Especially in the present conditions, when even for the defense of the far-away Serbs, the parliamentarians are ready to become a friendly and inviolable wall.

And for this reason, one can expect from Nazarbayev in the near future unexpected unfriendly improvisations with respect to Russia. It is not out of the question that the "red emir" will blame some of his domestic difficulties on the intrigues of Moscow and simply Moscow inflexibility. Variations are possible. But one thing is obvious, many in Moscow will have to part with illusions regarding the wise and just oriental ruler.

P.S. Incidentally, already in America Nazarbayev cautioned against the extension of assistance basically to Russia, whose policy is becoming increasingly more rigid in relation to the so-called near abroad. H.A.N. [Nazarbayev] wisely counseled to support Moscow depending on its faithfulness to democracy. Whoever's cow would moo, and Nazarbayev's goat. . .

## TAJIKISTAN

### Samadov on Relations With Russia

944K0789A Moscow OBSHCAYA GAZETA in Russian  
No 8, 25 Feb-3 Mar 94 p 5

[Interview with Abdudzhali Samadov, chairman of the Council of Ministers of Tajikistan, by ITAR-TASS observer Yuriy Sizov specially for OBSHCAYA GAZETA; place and date not given: "We Are Condemned to Success Only Together With Russia"]

[Text] [Sizov] How did your negotiations in Moscow end up? What prospects are there for the development of bilateral Russian-Tajik relations?

[Samadov] We very quickly found with the Government of Russia an understanding of the problems that we have encountered in 1994. These problems ensue primarily from a combination of three very complex processes: political transformations in the Republic of Tajikistan connected with the adoption of the new constitution; a referendum to determine the form of government; the preparation of free elections with the participation of all Tajiks, wherever they may be, and all Tajikistanis who acknowledge the laws of the country. Having conducted a series of intensive negotiations with the top leadership of the Russian Government and with leading ministers, we leave with confidence that the understanding that was reached will be realized in specific mechanisms and concrete actions on both sides.

I would like to mention that our government has embarked on the path of a broader dialogue with all structures of the Russian state and Russian intellectuals. We are treating with sufficient responsibility the task of realization in 1994 of the intergovernmental agreement between Tajikistan and Russia.

A group of Russian specialists left for Tajikistan together with me, and will help us look into the financial system, the economy of the enterprises, and the economy of the regions.

It would seem to me that the task the government is setting, which met with understanding at this stage, let us say, must be accomplished. I would formulate this task as follows: the unprecedented activity of Russian business circles, Russian business, Russian politicians, and Russian scientists in Tajikistan.

Tajikistan today is quite an intricate knot of very topical, interesting problems and a fertile field of application for foreign investments. But why should the share of Russian capital not be more significant here? Why en route to the formation of stock companies from the enterprises, which were once built on the basis of Russian technology, can we not create new forms of the organization of these works via the formation of international stock companies?

[Sizov] You have emphasized repeatedly that a principal cause of the crisis situation of the national economy is the mass exodus of highly skilled specialists from Tajikistan, Russian-speaking specialists included. How do you intend to resolve this problem?

[Samadov] I would like first of all to evaluate this problem as such. Many Tajiks have left the republic also. If we are to be objective, this has led in practice to the incapability of many structures. Once, back in the phase of discussion of the law on the official language in Tajikistan, I said that this process could not be approached airily, with the emphasis on national self-awareness and the need for its upsurge and revival. It is impossible to enter the 21st century in isolation from the world and without tackling such problems as, say, information support in the sphere of new technology, research, production, the organization of production, international relations, and so forth. I believe that the failure to understand many such circumstances led to this process beginning. I believe that the political stability of Tajikistan is the first and main condition of a return of the departed specialists. Another problem: We need to solve in a new way and fundamentally the question of their remuneration and the protection of their interests in Tajikistan. And the government is now tackling this problem.

[Sizov] Unless I am mistaken, there are now over 20 million Tajiks in the world, and 5 million live in your republic, but the republic is multinational. For example, over 1.5 million Uzbeks live with you also. How are your relations shaping up today with neighboring Uzbekistan?

[Samadov] From its first steps our government has managed to direct these relations into the constructive channel of mutual understanding. As far as the Tajik and Uzbek peoples are concerned, I am sure that, considering the age-old historical relations on the vast expanse of Central Asia, these relations cannot be hostile, and all attempts to provoke an exacerbation of these relations will be cut short.

[Sizov] In the course of the top-level Ashgabat meeting of heads of state of the CIS the question of the peacekeeping mission of Russia and Commonwealth countries on the Tajik-Afghan border was discussed also. How might you

now, two months on, characterize the situation on the border and the role of the peace-keeping force?

[Samadov] It is hard to exaggerate its role. It is truly a very powerful stabilizing factor. I have to say a word of gratitude primarily to the government, the top statesmen, and the president of Russia for the attention they are giving a resolution of this problem. We know that in the spring of 1994 certain forces will begin to muster on the other side for a more large-scale penetration of the territory of Tajikistan. It is not enough to say that we have the forces to resist. It is essential to intensify the political dialogue, including with representatives of the opposition who want peaceful development in Tajikistan and a peaceful solution of the problems that have risen to confront the republic. We need to start this as early as possible, without waiting for some period of time and without putting forward prior conditions, having included in this process, of course, international organizations, primarily the United Nations, and also, undoubtedly, Russia and the countries of Central Asia. Our government is prepared to do everything necessary for the start of this process.

[Sizov] Last winter, when the question of the possibility or impossibility of dialogue with the forces of the opposition was raised, the leadership of Tajikistan adopted a guarded attitude toward this and held back even from such negotiations in the long term. Do you believe that time is dictating different conditions, and is a dialogue with those who truly are for the democratic path of Tajikistan's development possible?

[Samadov] The last phrase is the key. The government is prepared to negotiate with those who are for a democratic path of the development of Tajikistan. These forces today call themselves the opposition. Opposition to what? Some personalities in the government? Their own state? The policy of the government or the path for which this government is opting? Here is a subject for negotiations. I repeat that we need without any prior conditions to agree to facilitate by joint efforts the complex political, economic, and social processes of integration that are already occurring in Tajikistan in 1994.

[Sizov] As we all know, there is a major uranium deposit in the north of Tajikistan, which enabled us formerly to create the "nuclear shield." There have come to be reports in the news media that Tajikistan would possibly be prepared to sell the uranium raw material to countries of the Arab world, Iran has been cited also. Do you not think that some people are pushing Tajikistan into playing the "uranium card"?

[Samadov] There are no people in our government or in today's leadership of the republic of Tajikistan, I believe, who suffer from such a disease. I am convinced that the process of the sale of the uranium, which is monitored by the appropriate international organizations, produced on the territory of the republic will be precisely as it has been thus far. I state that all attempts to link Tajikistan with countries aspiring to include it in the development of their uranium programs, other than the countries with which we have a stable relationship in this sphere, primarily Russia, are groundless. These attempts have no political prospects.

### Opposition Spokesman on Resolving Conflict

944K0789B Moscow OBSHCAYA GAZETA in Russian  
No 8, 25 Feb-3 Mar 94 p 5

[Interview with Otakhon Latifi, chairman of the board of the Coordinating Center of Democratic Forces of Tajikistan in the CIS, by Marina Pavlova-Silvanskaya; place and date not given: "The Negotiations Must Not Be Dragged Out"]

[Text] [Pavlova-Silvanskaya] Reports have appeared in the press concerning contacts between officials from Dushanbe and representatives of the opposition living in Moscow. What does this mean—steps toward one another, a feeling out of the ground for negotiations?

[Latifi] The official authorities of Tajikistan have yet to declare their readiness for negotiations. Officials are meeting one on one, but without authority, as private individuals. A group of high-ranking officials came here recently in the hope of winning the return of the refugees. This was the second such attempt, both ended in failure. Given the approach employed by the emissaries of Dushanbe officialdom, this is not surprising. For example, K. Kaimdodov, deputy chairman of the Supreme Council, granted an interview to INTERFAX, in which (oh, simple soul!) he complained: Field work will soon be starting in the countryside, there is a shortage of manpower, and the refugees must for this reason return.

[Pavlova-Silvanskaya] What is the opposition's attitude toward the prospect of negotiations?

[Latifi] We have always advocated negotiations. And the first step toward them, in our view, should be a meeting and agreements with the leadership of Russia, we recognize Russia's place in "big" geopolitics in the region also. We understand that it is very difficult to solve any questions within the former USSR, whatever it is now called, without Russia. But we see no mediating activity on the part of Russia as yet, unfortunately. Two institutions have been created in Russia for a resolution of the Tajik problem. The first is the interdepartmental commission chaired by A. Adamishin, deputy minister of foreign affairs. It has been in existence for quite some time, but has not met since last November.

The second is the Tajik settlement mission, which was established in November by an edict of B. Yeltsin and is headed by Ambassador-at-Large A. Oblov. I have met with him three times and fully share his view of the need for a general—regional, political, interethnic—settlement in Tajikistan. We agreed for the time being not to notify the press of the contacts. But the agreement has to be broken. The Foreign Ministry is patently dragging out a settlement. We, on the other hand, believe that the process should be accelerated.

[Pavlova-Silvanskaya] What is forcing you to hurry?

[Latifi] With the arrival of spring the development of events could assume a catastrophic nature. The passes and roads will be opened, and everything will be on the move. Colonel General B. Pyankov, commander of the collective peacekeeping force, who expressed serious concern at the state of affairs in Tajikistan, was in Moscow recently. When even the military believes that without negotiations with the opposition a catastrophe is inevitable, this speaks



volumes. We need to listen to the sober voice of the army. If an escalation of the conflict begins, the war could, according to the forecasts of independent experts, carry over to Uzbekistan in connection with the fact that mass privatization has now begun there and tension has increased. All of Central Asia could flare up, and moreover, a Central Asian arc of war could interface with the Caucasus war. There would then be a great conflagration, about which we warned in our last statement.

This is why the opposition is in a hurry to begin negotiations, to come to an agreement with Russia primarily. A statement addressed to President B. Yeltsin, Prime Minister V. Chernomyrdin, and the Federal Assembly has been published. We appeal to the Russian public also. It should be recognized that there will be no reforms in Russia and Russia itself even could explode unless the arc of fire in the south is put out in time.

[Pavlova-Silvanskaya] What, in your view, are the reasons for the procrastination over negotiations?

[Latifi] They could be various: a desire to profit from the arms trade, for example, and also the voluntary or involuntary playing into the hands of the Tashkent regime. The latter is all but openly helping General Dostum in Afghanistan, an Uzbek by nationality. His deputy, General Aizi, declared plainly in an interview with KOMSOMOLSKAYA PRAVDA that his supporters were seeking to oust President Rabbani inasmuch as he is a Tajik. Just about half the population of Afghanistan is composed of Tajiks. The calculation, evidently, is that, after they have been suppressed in Afghanistan, Tajikistan could be pulled to pieces also and that it would disappear as an independent state.

[Pavlova-Silvanskaya] So the first step toward a settlement should be, from your viewpoint, an official meeting of representatives of the opposition and Ambassador A. Oblov to discuss the conditions of the achievement of peace in Tajikistan. And how do you see the further development of events?

[Latifi] The opposition devised its plan of action on 7 December of last year at the meeting in Tehran. It is set forth in the special document "Proposals for a Peaceful Settlement of the Military-Political Conflict in the Republic of Tajikistan," which was transmitted to the Ministry of Defense of Russia, the Ministry of Foreign Affairs, and the Office of the President. Via N. Nazarbayev and S. Niyazov the contents of the document were conveyed to the heads of state of the CIS. It was also sent to Butrus-Ghali and the leaders of Saudi Arabia, Iran, Pakistan, and Afghanistan.

Responding to our proposals, Ambassador Ramiro Paris-Ballon, the new representative of the UN secretary general, flew to Moscow. He is now actively trying to get the Tajiks to the negotiating table and has even traveled to Dushanbe and Gordny Badakhshan for this. We met twice: before and after the trip. It was proposed that the agenda of the negotiations consist of three questions:

a political settlement of the situation in Tajikistan (which would include the creation of a State Council or Council of National Accord and also a provisional government made up of competent and neutral persons, an end to all the criminal proceedings instituted in connection with the political confrontation and the civil war, and the release of all persons in detention in this connection);

the disarmament and breakup of the so-called local self-defense force, armed detachments of the opposition, and special battalions of the MVD, National Security Committee, and Ministry of Defense of Tajikistan—formations in which the regime has as of late been registering on a general basis combatants from particular areas of the country (Kulyab, for example), providing them with a "legal roof." It is essential also to confiscate from the population weapons that are being held illegally;

refugees, who should be returned to their permanent places of residence—with a guarantee of safety and social protection, return of seized assets, and so forth.

We consider these three questions inseparable from one another.

Paris-Ballon agreed with the need for their inclusion on the agenda. He has now gone to New York and reported on the results of his talks to the UN leadership and several days ago he met in Tehran with leaders of the Islamic resistance of Tajikistan. He is to determine the budget of the mission and specify the location of future negotiations.

[Pavlova-Silvanskaya] You yourself speak about the possibility of an exacerbation of the situation by spring. It is obvious, therefore, that a settlement will require the presence of some peacekeeping contingents....

[Latifi] Even the Russian military openly acknowledges as a commonly known fact that the regime in Dushanbe is holding on exclusively thanks to the presence of the Russian Army. Were it to leave, the authorities would not last a day even: They would be swept away. These politicians, who came to Dushanbe with the support of Russian tanks, have in a year conclusively wrecked the economy, having brought the people to the brink of starvation.

But we know that we cannot manage either today or tomorrow or the day after without Russia, and for this reason the problem of the presence of Russian military forces in Tajikistan has to be resolved. They could constitute the nucleus of a peacekeeping force, but, as A. Kozyrev and British Foreign Secretary D. Hurd say in a joint statement, Russia should for this obtain a UN mandate for peacekeeping activity.

UN standards would specify precisely what the "blue helmets" are entitled to do and what they are not. The arms also would be under supervision, international observers would inspect them. Otherwise—there are troops in the region, they will be the peacekeepers. Today they will support one party to the conflict, tomorrow, another.

We insist that the Tajik negotiations be conducted under the aegis of the United Nations. They need a serious guarantor, and their results need international recognition. Only then will the parties feel a sense of responsibility.

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